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Algeria 6.00 Dm. Israel NIS 2.00 Oman
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Israelis Replace Official Who Urged Arab Death Inquiry

By William Claiborne
Washington Post Service

JERUSALEM — The Israeli cabinet named a replacement on Sunday for Attorney General Yitzhak Zamir, who had pressed vigorously for a police inquiry into charges that the chief of the security service attempted to cover up the beating death of two Arab bus hijackers two years ago.

After hearing a report by Prime Minister Shimon Peres on the allegations against Avraham Shalom, chief of the Shin Bet, or secret security service, the cabinet named a Tel Aviv District Court judge, Yosef Harish, 62, to take over Mr. Zamir's post on Wednesday.

The move appeared designed to defuse the controversy surrounding Mr. Shalom.

Attorney General Zamir brought Israel's coalition government to the brink of crisis by insisting that the police investigate Mr. Shalom's role in the killing of the handcuffed Arab prisoners. He announced in February that he planned to resign but said he would remain until a successor had been named.

Until Sunday, no names of nominees had been made public. The decision to appoint Mr. Harish appeared intended to dampen the crisis surrounding Mr. Zamir's insistence that Mr. Shalom be investigated, and possibly prosecuted.

The focus of such an investigation would be allegations that Mr. Shalom ordered the fatal pistol-whipping of the Arabs, and then suppressed evidence and suborned witnesses in the April 14, 1984, storming by Israelis of a hijacked bus in the Gaza Strip.

The government sought to dispel any notion that the appointment of Mr. Harish was designed to suppress public disclosure of the facts in the case or to protect either Prime Minister Peres or Foreign Minister Yitzhak Shamir — who was prime minister at the time of the incident — from charges that they had participated in a cover-up.

More than six months ago, Mr. Peres rejected pleas by three of Mr. Shalom's Shin Bet deputies that the secret service chief be investigated on suspicion of obstructing justice.

The army initially announced that all four Arabs who seized the bus had been killed when Israeli troops stormed it. But after the publication of a photograph showing one of the Arabs being led away in handcuffs, two special inquiry commissions ruled that two of the hijackers had been beaten to death during interrogation in a nearby field.

Yosi Beilin, the cabinet secretary, said Sunday there was "no connection at all" between the naming of a successor to the attorney general and the dispute over his demand for an investigation.

"The attorney general decided four months ago to resign and said the moment someone else should be found to replace him, he would resign, which was done today," Mr. Beilin said.

A cabinet statement said that the report on the Shin Bet affair had been delivered by Prime Minister Peres at a meeting of the ministerial committee on defense, meaning that the discussions were classified information and that disclosure of details could lead to prosecution under the Official Secrets Act.

Also, the cabinet decided that henceforth only Mr. Peres and authorized aides would be permitted

See ISRAEL, Page 6

AP

Zbigniew Bujak

Top Fugitive In Solidarity Is Captured

By Jackson Diehl
Washington Post Service

WARSAW — The authorities have announced the capture of Solidarity's underground chief, Zbigniew Bujak, ending his four-and-a-half-year status as Poland's most wanted fugitive and dealing a major blow to the political opposition.

A dispatch issued Saturday by the official news agency PAP reported Mr. Bujak's arrest without revealing where or when he had been arrested.

The report said that he had been "carrying out activities aimed to overthrow the constitutional system" and that he was detained under a warrant issued by the military prosecutor's office.

The arrest was a setback for Solidarity's surviving underground organization and for the broader opposition movement, which had looked to the 31-year-old former factory worker as a symbol of defiance of the Communist authorities.

At the same time, the arrest appeared to be a political victory for the government of General Wojciech Jaruzelski four weeks before a Communist Party congress.

The government and its security forces had been embarrassed repeatedly by the failure to capture Mr. Bujak, the former head of the Warsaw chapter of Solidarity, the outlawed trade union.

Mr. Bujak went underground when General Jaruzelski declared martial law on Dec. 13, 1981, to suppress the union, and was the highest-ranking Solidarity leader to escape arrest in the days that followed.

He soon took over the chairmanship of the underground Temporary Coordinating Commission. Since then, he has been a chief organizer of strikes, demonstrations, boycotts of official elections and other activities that have disrupted General Jaruzelski's campaign to "normalize" the country.

Mr. Bujak bedeviled the government from the underground with statements, broadcasts and interviews and became a folk hero for Solidarity loyalists.

Police Attack Protesters

The police used tear-gas grenades and batons Sunday to break up a crowd of factory workers who carried slogans urging the release of Mr. Bujak, United Press International reported from Warsaw.

Other Key Arrests

Opposition sources said Sunday that Mr. Bujak's capture coincided with the arrests of two other key Solidarity figures Saturday, the reported from Warsaw.

Eastern Bielinski, a member of the Palestine commission, and Piotrowiak, a fugitive since December, were seized in their apartments, sources said. They said Piotrowiak was captured alone at his apartment Saturday morning returning from a meeting.

Reuters

Afrikaners Rally to Protest Changes in Apartheid

An Afrikaner extremist displays a newspaper, The Brave Commando, which reported that South Africa's more liberal newspapers were barred from a ceremony in Pretoria marking the 25th anniversary of the republic. About 8,000 white rightists attended the ceremony and vowed to fight President Pieter W. Botha's proposed racial reform program in the country. Page 2.

Arianespace Halts Launches as Rocket Fails

By Judith Miller
New York Times Service

PARIS — Officials have suspended European space launchings following the destruction of an Ariane rocket in midair Friday night, throwing the West's launching capability into disarray.

Arianespace, the French-dominated company that sells space on the European rockets, announced Saturday that no further rockets would be launched until an independent commission of inquiry reported on the causes of the fourth failure of an Ariane in 18 launchings.

After the U.S. space program was grounded by the explosion of the space shuttle Challenger on Jan. 28 and subsequent rocket failures, the Ariane was the only Western rocket available for launching commercial satellites into space on a regular basis.

French ground controllers were forced to destroy the Ariane-2 rocket and the Intelsat-5 communications satellite it was carrying Friday when the rocket's third stage failed to ignite.

The rocket, valued with its cargo at $90 million, exploded four minutes and 36 seconds after lift-off from the Kourou Space Center in French Guiana.

Arianespace, the commercial arm of the European Space Agency, has been in fierce competition with the U.S. National Aeronautics and Space Administration for contracts in the multimillion-dollar commercial space race.

The explosion of Challenger, in which seven astronauts died, and subsequent failures of Titan and Delta rockets had crippled the American space program and given Arianespace a virtual monopoly on the lucrative satellite launchings.

Frederic d'Allest, president of Arianespace, said he could not predict how long the launchings would be delayed. He said the commission, which is to include independent experts, would be asked to report by the end of June, if possible.

He said there would be no launchings before the cause of the failure was determined and the problem resolved.

It was the third time that an Ariane launching had failed because of a problem with the third stage, French space officials said.

An inquiry into the most recent third-stage failure, on Sept. 13, 1985, indicated that a fuel leak in the third-stage motor had prevented the rocket from igniting properly, denying it the power it needed and sending it wildly off course.

The rocket destroyed Friday was to place an Intelsat-5 satellite in orbit. More than two dozen Intelstat-5s are already in space to relay communications between nations and continents.

With the grounding of the U.S. space program, Arianespace had tightened its schedule to take advantage of its virtual monopoly. A second launchpad was added to the space center at Kourou, and the intervals between launchings were reduced.

Mr. d'Allest said Arianespace had a capacity of seven launchings a year and that the rockets were booked until the end of 1988.

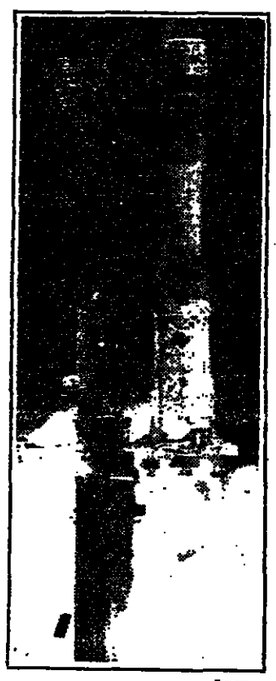
■ Cosmonauts Weld 'Tower'

Two Soviet cosmonauts who have been in space for more than two months spent five hours outside their Salyut-7 orbiting station Saturday, welding together a "tower" to be used for eventual assembly of large orbiting complexes, The Associated Press reported from Moscow.

The news agency Tass said the space walk by Vladimir A. Solovev and Leonid D. Kizim boosted their total space-walk time on this and a previous mission to 31 hours and 40 minutes.

It was the eighth walk in space by the two cosmonauts, who spent a record 238 days in space in 1984.

Mr. Kizim and Mr. Solovev were sent into space on March 13 to inaugurate the new Mir space station, which was launched Feb. 20.



Reuters

The Ariane-2 rocket during its launching in Kourou.

Soviet Is Said To Propose Cut In Arms if U.S. Keeps ABM Pact

By Michael R. Gordon
New York Times Service

WASHINGTON — The Soviet Union, in private talks, has offered a new negotiating approach to reducing strategic nuclear forces, U.S. officials said. But in a statement, it warned that it would increase its forces if the United States exceeded the limits set in previously negotiated treaties.

The new Soviet positions became known after President Ronald Reagan announced Tuesday that the United States would no longer be bound by the limits of the 1979 Strategic Arms Limitation Treaty, known as SALT-2, in making decisions on strategic weapons.

Mr. Reagan said the United States would exceed the treaty's limits by the end of this year as B-52 bombers are equipped with new cruise missiles.

In response, the Soviet Union announced Saturday that if the United States built up its nuclear forces beyond the limits in the treaty, it would do so as well.

But administration officials disclosed Saturday that the Soviet Union privately proposed a way of reducing strategic nuclear forces on Thursday at arms talks in Geneva.

In its proposal, the Soviet Union offered to begin reducing its strategic nuclear forces if the United States agreed not to withdraw from the 1972 Anti-Ballistic Missile Treaty for an extended period and if it took steps to strengthen the treaty, U.S. officials said.

The administration officials said the Soviet offer apparently was planned before Mr. Reagan's announcement on the SALT-2 treaty, and that it should not be seen as a reaction to it.

The new Soviet arms proposal was presented to the Geneva negotiating group on space and defensive systems by Viktor P. Karpov, the chief Soviet delegate to the talks, U.S. officials said. The proposal is under review in Washington and is being interpreted in varying ways by officials.

One official in the administration characterized the Soviet proposal as a "tantalizing" move that suggests the Soviet Union may be shifting from its position that research on anti-missile systems must be banned.

Some research and testing on an anti-missile system may be carried out under the 1972 Anti-Ballistic Missile Treaty.

But another official, skeptical of Soviet intentions, said the proposal was only an "elaboration" on the Soviet position that such research should be blocked. The research on anti-missile systems is the basis of the Strategic Defense Initiative, the U.S. program to develop a space-based defense.

Until now, the Soviet position in the negotiations has been that all research that could lead to the development of anti-missile defense systems, or what the Russians call "space strike" arms, must be prohibited in order for strategic arms reductions to be carried out.

Under the new Soviet proposal, reductions in strategic arms could be carried out if both sides took steps to strengthen the Anti-Ballistic Missile Treaty. This, according to the Soviet offer, would involve a commitment by each side not to withdraw from the treaty for 15 to 20 years, Reagan administration officials said.

The 1972 Anti-Ballistic Missile Treaty is of indefinite duration, but it states that either nation may withdraw under exceptional circumstances by giving six months' notice that the treaty has "jeopardized its supreme interests."

The Soviet proposal also calls for the treaty's terms to be strictly applied, U.S. officials said.

Some administration officials said the Russians, in asserting that strategic arms could be reduced if the 1972 treaty is reaffirmed, might be suggesting that research carried out within the scope of the treaty is acceptable.

The Reagan administration has said that its five-year SDI research effort is consistent with a strict interpretation of the treaty.

But other officials cautioned that the Russians might seek to tighten the treaty provisions in a way that would interfere with or block SDI.

There is little question that the Soviet proposal to strengthen the treaty would stand in the way of some large-scale anti-missile tests that might be carried out in the 1990s, and that it would prevent the actual deployment of a space-based missile defense.

The Anti-Ballistic Missile Treaty prohibits the development, testing and deployment of some anti-missile systems, including "components" of an anti-missile system based in space.

Some administration officials have suggested that the United

See ARMS, Page 6

Reagan Asks Support for U.K. Treaty

By Gerald M. Boyd
New York Times Service

WASHINGTON — President Ronald Reagan, seeking to prod the Senate Foreign Relations Committee to act on a new extradition treaty with Britain, has warned against allowing "terrorists" a "safe haven" in the United States.

Mr. Reagan, in his weekly radio address Saturday, linked the treaty with Britain to larger efforts at fighting international terrorism. He said that the refusal of the Senate to ratify the agreement would "undermine our ability to pressure other countries to extradite terrorists who have murdered our citizens."

The revised 1972 treaty, which was signed a year ago by the United States and Britain, includes new provisions that end exemptions from extradition for crimes that have been justified as politically motivated. At least four fugitives of the Irish Republican Army have avoided extradition by invoking the political exemption, including one convicted 18 months ago of killing a British soldier in Belfast.

Prime Minister Margaret Thatcher has been urging the new treaty's ratification as a reflection

See TREATY, Page 6

John F. Burns/The New York Times

A view along the Karakoram Highway, a 795-mile link between China and Pakistan.

Karakoram Highway Links 2 Worlds

Between Pakistan and China, Camel Gives Way to Jeep

By John F. Burns
New York Times Service

KHUNJERAB PASS, China — To stand at the pinnacle of this pass is to stand in wonder at the accomplishments of man.

At a point 16,072 feet (4,897 meters) up amid the Karakoram Mountains that divide China from Pakistan, it is natural to think of Marco Polo, who is said to have passed through the nearby Mintaka Pass seven centuries ago. Also remarkable were the feats of the road-building soldiers who cut a path for motor vehicles along ridges that served only camels and horses for more than 2,000 years.

The builders finished the 20 years of blasting and bulldozing that went into the Karakoram Highway in 1978. At a cost of more than 400 lives and a budget so large that neither Pakistan nor China has disclosed it, a permanent overland link was forged between two worlds that geography had conspired to keep apart: to the east, China, and to the west, the civilizations of the Indus Valley, Asia Minor and the Mediterranean.

Because the 15,000 Chinese and Pakistanis who built the road worked in areas that had long been closed to foreigners, their feat went little heralded elsewhere.

Only since May 1 has it been possible for nationals of other countries to travel the full 795 miles (1,286 kilometers) of the highway from its twin starting points in the ancient city of Kashgar, on the western fringes of China, and the modern Pakistani capital of Islamabad. Although a journey of months for camel trains has been reduced to 36 hours by Jeep, it remains an arduous road trip.

From Kashgar, a town known for its wily Uygur traders, the road runs south through areas inhabited by Kirghiz and Tadzhiks, peoples with warrior pasts who have settled peaceably in the upland valleys with their sheep, goats and camels.

In felt-lined yurts, houses of piled stones and more elaborate settlements of mud and straw, families welcomed visitors, even when they had never seen Westerners before.

In Kashgar, a sand-colored city of mud-walled homes that gave respite to generations of travelers along the old Silk Road, officials fret about the tide of adventurers likely to descend on the town now that the highway is open.

"This will make some troubles for us, no doubt," said Abdullahjan Dawud, the Uygur who heads the local foreign affairs office. "But never mind, we will solve them."

At Tash Kurghan, an old Tadzhik settlement described by early travelers as "the gateway to China," travelers can share a bowl of noodles with truckers, continuing a commerce that has altered little in centu-

See HIGHWAY, Page 6

Train Bombing Kills 12, Wounds 50 in Sri Lanka

The Associated Press

COLOMBO, Sri Lanka — A bomb exploded on a crowded passenger train bound for Colombo, killing at least 12 persons and wounding more than 50.

The bombing Saturday was the third in two days in this island nation. Tamil guerrillas have become increasingly violent in their quest for a separate homeland.

The bombing brought the two-day death toll to more than 40. President Junius R. Jayawardene called on citizens to protect themselves against what he termed a "scourge" of terrorism, and the government began arming some civilians in eastern Sri Lanka villages.

[Press Trust of India said that a Tamil rebel group, the Eelam Revolutionary Organization of Students, claimed responsibility Sunday for the bombing in a news conference in Madras, India, United Press International reported from New Delhi.

[A spokesman for the group claimed all of the victims were army troops or commandos. The Sri Lanka government said all of the victims were civilians.]

Police said the bomb had been timed to go off as the train arrived at the main Colombo terminal. The train was running 25 minutes late.

Sources in the government-owned railway, who asked not to be identified, said the train had just left Veyangoda station, 25 miles (40 kilometers) from Colombo, when the bomb exploded.

An assistant police superintendent, Wilfred Wijewardene, said Saturday that the government had begun arming "home guards" of young Sinhalese men in the villages in eastern Sri Lanka that came under attack late last month from Tamils.

Mr. Wijewardene said that during the previous week, more than 200 shotguns had been handed out in Mahadivulwema village, where 20 Sinhalese settlers were massacred by Tamil guerrillas May 24.

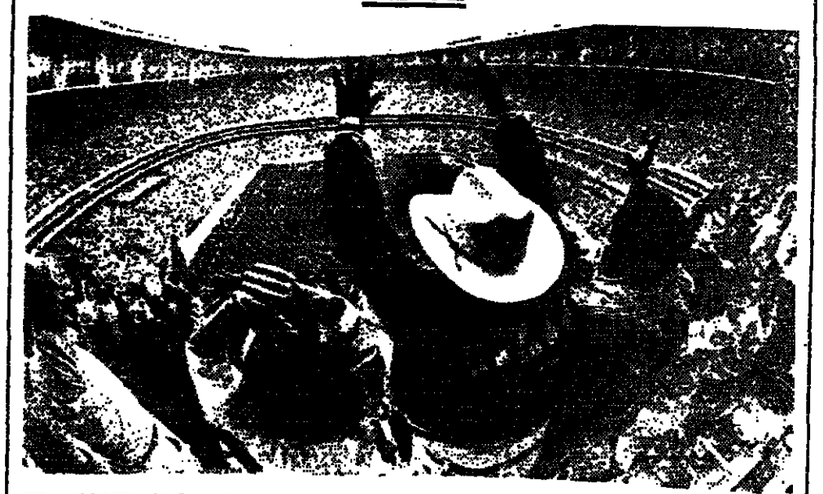
The home guards were given weapons training and put under direct command of the police, Mr. Wijewardene said.

The Tamils, who are mostly Hindus, make up 18 percent of Sri Lanka's 16 million people. They claim they are discriminated against by the majority Sinhalese Buddhists in education, jobs and use of their Tamil language.

A Tamil group in India, meanwhile, claimed responsibility for the land mine blast Friday in the Trincomalee district that killed 20 soldiers and a civilian bus driver.

The United News of India news agency quoted the Eelam Revolutionary Organization in Madras as saying the operation was "purely defensive"

INSIDE



The Associated Press

The 1986 World Cup of soccer is under way in Mexico. Fans in Mexico City cheered at the opening ceremonies in Azteca Stadium on Saturday, then watched as Bulgaria held Italy, the defending champion, to a 1-1 tie. Brazil beat Spain on Sunday, 1-0. Page 21.

GENERAL NEWS

■ Thousands marched in Brussels to protest the austerity policies of the government, which began to negotiate on budget cuts. Page 2.

■ After a brief truce, Amal militiamen and Palestinians in Beirut resumed intense fighting. Page 2.

■ FBI agents have arrested a suspect accused of putting rat poisoning in drug capsules. Page 3.

■ Five Sikhs were arrested in Montreal, reportedly for a plot to blow up a jetliner. Page 6.

■ Australia was asked by the United States to consider resettling Klaus Barbie in 1952, a politician said. Page 6.

BUSINESS/FINANCE

■ Saudi Arabia devalued its currency by 2.7 percent. Page 15.

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Afrikaners Rally, Vow to Fight Botha's Plan for Racial Change

By Alan Cowell
New York Times Service

PRETORIA — Under the shadow of their principal shrine, at least 8,000 Afrikaners gathered to celebrate their past and to hear calls for a future based on total racial separation.

The assembly Saturday was the biggest display ever of rightist white opposition to President Pieter W. Botha's program of tentative racial change, under which South Africa's white rulers say they are seeking to break with the canons of traditional apartheid.

Andries P. Treurnicht, leader of the Conservative Party, said: "We demand that the sound notion of partition be applied in South Africa in such a way that the white man will have his own land and his own state. The fight that our fathers began will go on until we win or die for a white South Africa."

Mr. Treurnicht's party broke with Mr. Botha's National Party four years ago.

"The uprising of the Afrikaner people has begun," Jaap Marais, leader of the ultraright Herstigte Nasionale Party, told supporters. "The Afrikaner paid dearly for the freedom of his fatherland, and whoever tries to take it away from him will have to pay dearly, too."

"We are the true freedom fighters," said Eugene Terre Blanche, who heads the extremist Afrikaner Resistance Movement. "And we will fight for our honor, our self-respect and our sovereignty."

The gathering was held in an amphitheater below the huge Voortrekker, or Pioneer Monument, where murals hewn in stone depict the advance inland of Afrikaners who first settled in the Cape in 1652.

The occasion was Republic Day, celebrating the declaration of a republic by former Prime Minister Hendrik Verwoerd 25 years ago that represented a final break with British colonialism.

The day offered a rare show of unity among the country's rightist white organizations, which are divided on ideology and tactics but share a rejection of Mr. Botha's policies.

South Africa's 2.8 million Afrikaners have dominated the nation since the National Party won power in 1948. For decades, Afrikaners presented a unified front, but the government's cautious program of racial change has divided whites, prompting a backlash against it by the extreme right.

The crowd reserved its most enthusiastic applause for Mr. Terre Blanche, a former policeman once regarded as leader of an insignificant fringe group.

In recent weeks, however, his organization has assumed a far greater prominence, prompting some South African political scientists to suggest that if an election was held now, Mr. Botha's National Party would not be guaranteed a parliamentary majority in the face of rightist challengers.

Employing tactics used by the National Party before it came to power, Mr. Terre Blanche's followers have broken up at least four government rallies over the last month, on one occasion forcing Foreign Minister R.F. Botha to cancel plans to speak.

None of the speakers on Saturday criticized Mr. Botha by name. But the criticism of what are seen as policies that will lead to black-majority domination of a white minority seemed implicit.

■ Mob Kills Black Constable

A black constable attending a funeral was killed by a group of blacks who attacked him with shovels and buried him alive, the police said Sunday. The Associated Press reported from Johannesburg.

The Pretoria police said the attack on the constable, S.H. Mandlazi, occurred Saturday evening in a black residential area near Witbank, about 60 miles (about 95 miles) northeast of Johannesburg.

Police officers dug up the grave about an hour after the assault and found Mr. Mandlazi's body, the police said.

More than 1,600 people have been killed in attacks by anti-apartheid militants in the past 20 months. Almost all of the victims have been blacks.

The police also reported Sunday the death of a black man whose burned body was found in the black homeland of KwaNdebele.

■ Soldiers Posed as Tourists

South African soldiers who attacked targets in Harare last month arrived as tourists in a private plane and flew out by military helicopters, Zimbabwe's security minister, Emmerson Munangagwa, said in a broadcast Sunday, Reuters reported from Harare.

The South Africans wrecked an office and house of the outlawed African National Congress in Harare, the Zimbabwean capital, and a suburb on May 19.

Don Dawson/Reuters

Demonstrators in Brussels protesting the proposed budget cuts.

Protesters March in Brussels as Unions And Government Discuss Budget Cuts

By Steven J. Dryden
International Herald Tribune

BRUSSELS — Tens of thousands of people marched through the streets of Brussels to protest the austerity policies of Belgium's center-right government.

Union officials have said the demonstration, held Saturday, should mark the end of many of the Socialist-led strikes that have disrupted transportation, postal services, schools and some private businesses in the past month. But the officials have been unable to control local strikes, and work stoppages are expected to be continued.

The peaceful demonstration came as the government of Prime Minister Wilfried Martens began negotiations with unions on the details of its plan for sharp budget cuts next year. But the government refused to consider reducing the total size of the reductions, 195 billion Belgian francs ($4.1 billion), or nearly 10 percent of the budget.

The cuts, affecting mainly education, the civil service and social security, would reduce pensions and health and unemployment benefits and public jobs.

André Vanden Broucke, the president of the French-speaking Belgian General Federation of Labor, a leading Socialist union, said at a rally held at the end of the march that the union was joining the talks with the government to prevent the destruction of "all that has been won in the long years of union and political struggles."

The police said the marchers numbered about 50,000, but organizers estimated them at 150,000.

Mr. Martens's political position has been helped by the refusal of the country's large Christian unions to join their Socialist counterparts in the strikes. The Christian unions are considered crucial to the power base of the government coalition of Christian Democrats and Liberals.

Few banners of the Christian unions were seen at the demonstration, but the Christian workers increased the pressure on the government last week when they demanded negotiations on the budget reductions.

The Christian unions said they would consider a nationwide strike if the talks with the government fail.

Philippine Commission Wrestles With Protocol

By Seth Mydans
New York Times Service

MANILA — At their first informal meetings last week, members of the new Philippine constitutional commission spent hours arguing over whether to arrange their offices alphabetically, what to wear at the opening ceremony Monday and whether to address one another formally.

The 50-member commission still needs to appoint a chairman, name 15 standing committees and adopt rules of procedure before it can begin to shape the nation's constitutional future.

After the first day, Lino Brocka, a film director and member of the commission, said: "I don't know if I can take three months of this."

President Corazon C. Aquino has said that she hopes the commission, which she appointed last week, can draft a new constitution in three months. It would replace the charter passed by a show of hands in 1973, soon after former President Ferdinand E. Marcos declared martial law.

Mrs. Aquino is hurried because until there is a new constitution she will rule under even broader powers than did Mr. Marcos, and her self-proclaimed government remains on shaky legal ground.

Only after the constitution has been drafted and approved in a national plebiscite can elections be held for a new legislature and for thousands of governors, mayors and council members.

Among the many issues to be resolved by the constitutional commission is whether foreign bases should be banned. The United States has two large bases in the country and their presence has been a rallying point for nationalists.

The commission also is expected to debate such issues as a socialist approach to private property, the structure of the executive branch and the powers of the presidency. Moslem members may press for some form of federalism or autonomy for the southern island of Mindanao, where their religion is concentrated. The commission also may consider the issue of the Philippines' claim to the Malaysian state of Sabah.

AP

Corazon C. Aquino

Some senior members are pressing for strict limits on presidential power to assure that no future leader can easily declare martial law or assume the authority wielded by Mr. Marcos.

■ Marcos Supporters Rally

Thousands of Marcos supporters marched through Manila on Sunday, joining a smaller number who had walked 280 miles (450 kilometers) from his home province to demand that the former president be allowed to return from exile, Reuters reported from Manila.

The police estimated that up to 50,000 people took part in the Manila demonstration.

They shouted slogans and walked behind a funeral car carrying a coffin with "Death of Democracy" written on it.

The police said there were no serious incidents as the marchers entered the city limits waving anti-Aquino banners and placards. Some Aquino supporters threw stones and taunted the demonstrators.

French Find Veal on Sale in Moscow Had Radiation 6 Times the EC Level

By Celestine Bohlen
Washington Post Service

MOSCOW — French Embassy officials have found veal in a Moscow central market containing radiation more than six times the European Community standard level, according to diplomatic sources, as Western embassies issued new precautions against foodstuffs possibly contaminated by the accident at the Chernobyl plant.

The veal, sent to Paris for testing, contained 3,700 becquerels of radiation, the sources said Friday. The standard European Community level for veal is 600 becquerels for adults and 370 for children.

Officials reported the results of the test Friday afternoon. Besides veal, Soviet pork was put on the warning list, diplomatic sources said.

The contaminated veal caused new concern among Westerners in the Soviet capital. The U.S. Embassy warned a week ago that children and pregnant women should not drink Soviet milk.

Americans met at the U.S. Embassy on Friday to ask about hazards resulting from the April 26 accident at Chernobyl.

The veal, apparently the most contaminated of foods examined by Westerners, raised questions about how effectively Soviet officials have been guarding against radiation emitted after the plant exploded and burned.

Soviet officials have assured diplomats in Moscow that food from the Chernobyl region, 450 miles (720 kilometers) to the southwest, is undergoing strict monitoring. But the Western community is conducting its own random tests of foods, using simple equipment.

Soviet authorities have repeatedly said that all produce from the affected area is being thoroughly checked, first in the fields and again in the shops. Monitoring is also being conducted, they say, at markets where farmers sell their produce directly to consumers.

The tests by the Western embassies indicated that there were cracks in the system. For instance, flowers sold by people getting off trains from the countryside are virtually unregulated. West German officials found radiation on lilacs bought outside a station where trains arrive from Byelorussia, which was in the path of fallout.

The most damaging evidence until Friday was from the Americans, since the milk they checked was from the state system and was bought at a special store for foreigners. Tests in Washington on one of two milk samples sent from Moscow in the last three weeks revealed 3,600 picocuries of radiation.

The level is well below the danger level for adults, but above the norm of 1,200 picocuries. When the results of the test arrived a week ago Saturday, the embassy decided to issue an alert that pregnant women and small children in the American community should not drink Soviet milk.

It did not issue a general public statement, a spokesman said, because it wanted to avoid "inflating" the information.

An article in the Tuesday issue of Sovetskaya Rossiya, the main newspaper of the Russian Republic, accused the U.S. Embassy of creating "malicious rumors" about milk so they would seep back into the Soviet Union via Western shortwave radio broadcasts.

■ Germans Shut Reactor

A new West German nuclear reactor, which had a radioactive leak May 4 that went unreported, has been shut, United Press International reported Sunday from Düsseldorf, quoting North Rhine-Westphalian state officials.

A consortium operating the 300-megawatt thorium high-temperature reactor THTR 300, which began a limited power test phase April 10, said the unit was "routinely" turned off Friday. A five-member commission began an inquiry on Saturday.

The state economics minister, Reimut Jochimsen, said he could not rule out revocation of the operating permit for the graphite-moderated reactor, the first of a new Brown Boveri design.

■ Italians Impose New Ban

Officials in three Italian areas on Sunday banned the sale of various meat and dairy products, citing high radioactivity, United Press International reported from Rome.

In the northern province of Como, officials ordered all rabbits region slaughtered and banned the sale of local sheep and goat milk. They also a reinstituted a ban on cow milk for children under 10 or pregnant women.

In the northeastern town of Cagli, officials banned lamb and goat meat, citing unusually high levels of cesium 137.

In the central town of San Severino Marche, officials banned the sale and consumption of sheep milk and its associated cheeses. Authorities said tests showed unusually high levels of iodine 131.

Afghan Rebels Scratch for Survival Amid Ruins of City Scarred by Battle

By Arthur Bonner
New York Times Service

KANDAHAR, Afghanistan — Large areas of this city, once the second largest in Afghanistan, lie in ruins, and much of the surrounding countryside is devoid of normal life.

Rebel leaders in the region acknowledge they are feeling the strain of a seemingly endless war of attrition. They say they have no medical supplies and no money to hire trucks to carry their seriously wounded to hospitals in Pakistan. They must sell captured Soviet rifles to buy food and blankets for their men or motorcycles for transport.

"Tell the world we are short of food," said Abdul Latif, who commands about two dozen rebel bands in the Kandahar area linked with the National Islamic Front of Afghanistan.

"We are willing to fight, but our stomachs are empty," said Mr. Latif, a 75-year-old man with a gray beard and soft, watery eyes, who arranged for a visitor to travel by night with a convoy of pickup trucks carrying arms and food to rebel areas. "With their planes and bombs they want to chase everyone out. If there are no people here to grow food, we will have to stop fighting."

European journalists who have traveled in Afghanistan say that local rebel commanders universally complain of a lack of advanced weapons. The commanders say they do not have anti-aircraft weapons or enough missiles to reach across wide mine fields and hit Soviet and Afghan government forces in their fortified posts.

Kandahar province, with its easy access to Pakistan for rebel supplies, is one of the major battlegrounds of Afghanistan.

"We used to be rich," said Azizullah Mohammad, the wizened headman of the village of Kalach, where the convoy had stopped for a night's rest.

"We had fields of wheat and potatoes and orchards of almonds, mulberries and apricots and gardens of grapes," he said. "We had sheep and goats and rugs for our floors, but now we have nothing."

He said that only four families were left out of 10 that once lived in Kalach. He recited the names of a half-dozen nearby villages where all the families had left for the refugee camps of Pakistan.

According to the rebels, Soviet troops are confined to an air base about six miles (about 10 kilometers) southwest of Kandahar, except for a few who are advisers to the Afghan Army or to civilian officials.

"I will show you that I control Kandahar," Mr. Latif said, organizing a cavalcade of motorcycles to take the visitor through the rubble-strewn streets.

Many wide avenues were deserted. What were once modern schools or government buildings were twisted and cracked slabs of precast concrete. Hulks of huge Soviet tanks lay buried in rubble.

Several of the larger bazaars were still active. A shopkeeper said that flour for making the flat loaves of bread that are the staple of the diet cost $1.85 a pound, about a day's wage for a laborer.

The rebels said Afghan soldiers or Communist Party members were seldom seen in most of the city. "If they show their faces, we will capture them," said one rebel, Fateh Khan.

He pointed out a mound of earth near his base and said it was the grave of an Afghan Communist who had been captured in the city and sentenced to death by an Islamic court.

A mullah named Issa explained the death sentence.

"It is our belief," he said, "that it is better to kill one Moslem who fights against other Moslems in the service of the unbeliever than it is to kill 10 unbelievers like the Russians."

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After Brief Truce, Battle Erupts Again in Beirut

Reuters

BEIRUT — Heavy fighting erupted again Sunday between Shiite Amal militiamen and Palestinian defenders of three refugee camps, breaking a midnight truce negotiated by Algerian and Iranian diplomats.

At least 33 persons have been killed and hundreds have been wounded and displaced in 11 days of fighting, the worst since hundreds died in a month of clashes last year at the camps on the southern edge of Beirut.

Security sources said that artillery, mortar and rocket exchanges began at dawn and that the Sabra, Chatila and Burj al-Brajneh camps were involved in the shooting by the afternoon.

One Palestinian source said it was "difficult to determine the number of victims as the battle is still raging."

The security sources said the flare-up followed the death of Ali Hamieh, a brother of the Amal military leader, Akel Hamieh. Amal sources said that Mr. Hamieh was killed by shellfire in the Burj al-Brajneh camp.

The cease-fire worked out by Iranian and Algerian diplomats held for only a few hours.

As the fighting continued, Israeli reconnaissance jets flew over Beirut.

Witnesses said roads to the battle area were cut and streets were tense in the Shiite Moslem suburbs surrounding the camps.

Scores of Amal militiamen with rocket launchers and automatic weapons surrounded the camps, witnesses said. They suffered heavy damage from shellfire, some of it from Soviet-made T-54 tanks supplied to Amal by Syria last year.

A Palestinian source said that hundreds of families had fled and the camps faced serious shortages of food and medicine.

The Christian-operated Voice of Lebanon radio said that Palestinians had fired on the Shiite suburbs from nearby Druze-held mountains, but Palestinians denied this.

Amal issued a statement Saturday warning against gunfire from the mountains. During the battles last year, Palestinians shelled the southern suburbs as Amal fought to prevent a re-emergence of Palestinian power in Beirut and southern Lebanon.

Amal militiamen firing automatic weapons at Palestinian positions in Beirut.

WORLD BRIEFS

Plans for Korean Summit Reported

TOKYO (AP) — A Japanese news agency, quoting diplomatic sources in Tokyo, reported Sunday that President Chun Doo Hwan of South Korea will meet his North Korean counterpart, Kim Il Sung. It would be the first session between Korean leaders since the peninsula was divided in 1945.

Kyodo News Service said the meeting could take place as early as October. It also quoted North Korean sources in Tokyo as confirming the report.

However, in Seoul, a senior South Korean government official, said he had "no knowledge of any such happening or development." He spoke on the condition that he not be further identified. There have been several reports in Japan recently on a possible North-South summit, but all have been denied by the South Korean government and some by the North Korean government.

UN Africa Session Reaches Agreement

UNITED NATIONS, New York (AP) — Delegates from African countries and donor nations agreed at the United Nations early Sunday on a "new shared partnership" to heal Africa's stricken economies.

Canada's UN representative, Stephen Lewis, who is chairman of the committee drafting a final statement for the special session on Africa, said the document would be given formal approval by the General Assembly at a session Sunday evening. The document includes an outline of a recovery program, including an African estimate that the program will require about $80 billion in outside aid during the next five years.

Mr. Lewis quoted the statement as saying, "The international community recognizes the magnitude of Africa's debt and the severe and restrictive burden this has placed on many African countries." He said it also includes an expression of the international community's willingness "to do everything in its power to meet the financial needs of Africa."

Libya Says Soviet Will Give Weapons

NICOSIA (AP) — The Soviet Union has agreed to provide Libya with arms to enable it to "confront threats of aggression," the official Libyan news agency, JANA, reported.

The news agency, monitored here Saturday, carried the Arabic text of a joint communiqué issued in Tripoli and elsewhere in Libya on talks conducted by Colonel Moamer Qadhafi's deputy, Abdel Salam Jalloud, in Moscow last week. Mr. Jalloud left Moscow on Friday after four days of talks that included a meeting with the Soviet leader, Mikhail S. Gorbachev, and the defense minister, Marshal Sergei L. Sokolov.

The communiqué said a high-level Soviet delegation was expected in Tripoli during the next two weeks to study Libya's defense needs.

Victory Expected for Spain's Socialists

MADRID (Reuters) — The governing Socialist Party will retain its absolute majority in the June 22 election, according to a nationwide poll published Sunday in the newspaper El País. The poll is in line with earlier surveys indicating that Prime Minister Felipe González will receive a comfortable majority for a second four-year term.

The poll forecast that the Socialists would win 46 percent of the votes and that the rightist Popular Alliance led by Manuel Fraga Iribarne would get 24 percent of the votes. That would be a slight decline for both parties from the previous general election four years ago. The forecast gave the Communists 3.9 percent of the vote and gave the Social and Democratic Center Party 8 percent.

The poll estimated that the Socialists would win at least 194 seats in the 350-member legislature, the Cortes. The Socialists currently hold 202 seats.

AP

Felipe González

AT&T Phone Operators Strike in U.S.

WASHINGTON (Reuters) — Long-distance operators and some other telecommunications workers of the American Telephone & Telegraph Co. went on strike early Sunday after contract negotiations broke down. AT&T, the largest telephone company in the United States, said it would use its force of 115,000 managers to try to maintain long-distance service.

In the negotiations, AT&T and the Communications Workers of America failed to reach a settlement on their existing contract before it expired at midnight Saturday. The union turned down a new offer of a 7-percent pay increase over three years, company officials said. A union spokeswoman said the two sides remained apart on wage increases, job classifications and other work conditions.

The strike is the largest since the union's action against AT&T in 1983. The union represents 155,000 of AT&T's 200,000 unionized workers. Separate talks between the company and the International Brotherhood of Electrical Workers, which represents 65,000 other employees, also failed to reach agreement Saturday.

U.S. Official Pleads Guilty to Payoffs

WASHINGTON (WP) — Peter E. Voss, vice chairman of the U.S. Postal Service's governing board, has pleaded guilty to federal charges of receiving illegal payments for helping a Dallas company in its attempts to obtain a multimillion-dollar government contract.

Mr. Voss, who was co-chairman of Mr. Reagan's Ohio presidential campaign in 1980, was charged with taking at least $20,000 worth of payoffs in a fee-splitting arrangement with a public relations firm hired by the Dallas company. The public relations firm was headed by John R. Gnau Jr., Mr. Reagan's 1980 Michigan campaign chairman. Mr. Voss faces up to seven years in prison and a fine of $21,000, according to U.S. Attorney Joseph E. diGenova.

Duvalier's Lease Expires On French Riviera Villa

United Press International

NICE — Jean-Claude Duvalier, the deposed president of Haiti, must move from his rented villa near the French Riviera because the lease has expired, according to a local government spokesman.

Mr. Duvalier and his wife, Michèle, who fled to exile in France on Feb. 7, have been living on an estate outside Grasse, 10 miles (16 kilometers) from the Mediterranean coast.

For the Record

The U.S. Congress returns to work Monday from its Memorial Day recess. The sessions in the Senate are to be broadcast over public closed-circuit television for the first time and are to include debates over tax reform and a proposed sale of missiles to Saudi Arabia. *(UPI)*

Avraham Bar-Am, a retired Israeli general, and four other men have been ordered held pending bail hearings in New York. They were extradited from Bermuda on charges that they took part in a scheme to smuggle $2.5 billion in American-made warplanes, missiles and other weapons to Iran. *(WP)*

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FBI Arrests Suspect In Drug Tampering

By Jay Mathews
Washington Post Service

LOS ANGELES — FBI agents here have arrested a former stockbrokerage clerk for allegedly putting rat poison in cold, allergy and diet capsules. It was the first arrest in four years of recurrent national scares over contamination of retail food and drugs.

A special agent of the Federal Bureau of Investigation, Richard T. Bretzing, said Friday that Edward Arlen Marks, 24, apparently hoped to make money on the stock market by driving down the price of shares of the pills' manufacturer, SmithKline Beckman Corp.

Mr. Marks, a Boston native, lives in Temple City, 10 miles (16 kilometers) east of Los Angeles.

Nine adulterated capsules of Contac, a cold medicine; Teldrin, an allergy medication; and Dietac, an appetite suppressant, were discovered in March at four stores in Orlando, Florida, and three stores in Houston.

The FBI said Mr. Marks was linked to the pills when a Pacific Stock Exchange executive in San Francisco reported that Mr. Marks had purchased 298 "put" options on SmithKline stock March 18 and 62 more March 19, the day radio and television stations began receiving telephone calls about the tainted capsules from a man calling himself "Gary."

"Put" options give the holder the right to sell stock at a set price for a certain period, allowing an investor to profit from a sharp and unexpected drop in the price of the stock.

No consumers bought the capsules, and the amount of Warfarin, an anticoagulant used to kill rats, was not lethal, federal officials and SmithKline representatives said.

But under a federal law passed after seven persons died from cyanide-tainted Tylenol capsules in the Chicago area in 1982, Mr. Marks could be fined $50,000 and imprisoned for 10 years if convicted. Two persons have died from unrelated tampering incidents since the first Tylenol case.

Mr. Bretzing said that since SmithKline Beckman stock "did not suffer any hysterical drop," Mr. Marks probably did not profit from his alleged stock-manipulation plan.

The stock, at 89¾ on March 20, dropped to 88⅜ on March 21 when SmithKline announced that it was withdrawing all its capsules from the market. It closed at 88 on March 24, then began to climb again.

FBI agents said Mr. Marks was arrested Thursday night as he was about to get into his car in a parking lot at Los Angeles International Airport after arriving from Boston.

Mr. Bretzing said that nearly every regional office of the bureau was involved in tracking down the man who telephoned radio and television stations in New York, Florida and Texas, announcing that the capsules in Orlando and Houston had been tainted with cyanide or rat poison and demanding that SmithKline make its products tamper-proof.

Agents asked every exchange trading SmithKline stock if they had noticed unusual transactions involving the company at about that time.

Charles Rogers, senior vice president of the options division at the Pacific Stock Exchange in San Francisco, reported Mr. Marks's transactions of March 18 and 19.

Agents discovered that Mr. Marks had worked as a clerk in the Merrill Lynch Pierce Fenner & Smith Inc. brokerage office in San Marino for about a month late last year. A Merrill Lynch source said Mr. Marks was dismissed when a personnel check revealed that he had a criminal record.

FBI officials would not comment on the report or on how they obtained a set of fingerprints for Mr. Marks that matched a print taken from a Teldrin capsule seized in Orlando.

The FBI also obtained from ABC News a tape of a March 19 telephone call from "Gary." Members of the Merrill Lynch office staff in San Marino identified the voice as Mr. Marks's.

SmithKline, a Philadelphia-based firm with total sales of $3.2 billion in 1985, has announced plans to resume sales of Contac and Teldrin in late summer with new safeguards against tampering.

A SmithKline spokeswoman, Sharyn Arnold, said the products will be sold in solid, elongated "caplets" and in transparent capsules that would allow easier inspection.

Catholic Orders in U.S. Lack Retirement Money

Los Angeles Times Service

WASHINGTON — Roman Catholic religious orders in the United States are $2.5 billion to $3.5 billion short of funds to finance even modest retirement programs for nuns and brothers, according to a church-sponsored study.

The situation is "a national crisis that has been coming for the last 10 years," the Reverend Daniel Hoye of the National Conference of Catholic Bishops said Friday, when the study was made public.

He said it is forcing some religious orders to sell property or seek public assistance for retiring members.

The survey, conducted by the Arthur Andersen & Co. accounting company, found that $2.5 billion would be needed to support retirement costs of Roman Catholic religious orders, even if those institutions are able to raise $1 billion by selling land, school buildings, residences and other property.

Church leaders said that during the past two decades fewer young people have entered religious orders.

Because of that, they said, the financial burden of caring for the increasing numbers of elderly and infirm members has fallen on a shrinking number of members.

Sister Mary Oliver Hudon of the School Sisters of Notre Dame said: "We're talking about nuns who served in schools, hospitals and social service agencies 20 to 30 years ago. We were not prepared in the past to think of the time when medical costs would be so astronomical."

She will head a two-year project aimed at helping the religious communities with retirement funding. Solutions include increasing workers' salaries, which would expand their Social Security retirement benefits and ability to contribute to retirement programs; selling properties; and consolidating some orders and dissolving others.

Members of the religious orders customarily take vows of poverty and pool their earnings to support the needs of the order.

In the past the system worked, even though many religious communities had no formal pension plans and their workers, until 1972, were forbidden to receive Social Security retirement benefits.

Israel Denies Reports of Spy Ring

United Press International

WASHINGTON — Israel has denied press reports that Jonathan Jay Pollard was part of a large, well-organized Israeli espionage network in the United States, but an Israeli official did not deny reports that charges could be filed against an Israeli military officer.

An Israeli Embassy spokesman, Yossi Gal, repeated his country's earlier insistence that the Pollard case was a "deviation." He said Saturday that the Israeli government was cooperating fully with a U.S. investigation of Mr. Pollard, a former U.S. Navy counterintelligence analyst accused of spying for Israel.

"The Pollard affair," Mr. Gal said, "was an unauthorized deviation from the clear-cut Israeli policy of not conducting any espionage in the United States or against the interests of the United States, given that the United States is a true friend of Israel."

He did not, however, directly address reports by the Los Angeles Times, quoting U.S. government sources, that at least one more arrest was expected. The Times said one of the suspects was an Israeli Air Force officer alleged to have been the "master case officer" for U.S. intelligence operations.

FBI agents have said that Mr. Pollard sold Israel classified reports on the military strength of the United States and other nations, including Israel's rivals in the Middle East.

The arrest of Mr. Pollard on espionage charges last fall strained U.S.-Israeli relations.

He has been held without bond pending a grand jury decision.

AMERICAN TOPICS

Ralph Ginzburg/Reuters-UPI

THEIR JOBS ARE A HANDFUL — Dog walkers pausing on a corner on the Upper East Side of New York. Many residents of apartments in the neighborhood employ people to take their dogs out for exercise.

The American Legion Mutes Its Drumbeat

A recent influx of Vietnam veterans has fanned winds of change in the American Legion, making it less militant and more willing to consider new ideas, The New York Times reports. Indeed, last year's national convention urged "all reasonable steps to halt nuclear proliferation" and advocated a verifiable mutual freeze of nuclear forces by the United States and the Soviet Union.

Legion officials insist that the nation's biggest veterans organization has never been militaristic, although that has been the stereotype. But they acknowledge that the recent influx of Vietnam veterans has somewhat muted the Legion's drumbeat. In the last two years, 215,000 Vietnam veterans have been added to the 2.7-million-member Legion, which now has more than 700,000 men and women from the Vietnam era. Legion officials say 85 percent of the national staff served in Vietnam and that is making a significant impact on policy.

"We appreciate their freshness and new thinking," said Herman Harrington, an infantry veteran of World War II.

John Hanson, a Legion spokesman who was a B-52 bomber mechanic in the Vietnam War, said, "Perhaps we're less hell-bent-for-leather because we see war gets worse in each generation."

Short Takes

Largely because of the spread of acquired immune deficiency syndrome, of chlamydia, which can cause sterility, and of herpes, the United States is in the midst of an epidemic of sexually transmitted diseases, according to the Centers for Disease Control. Twelve million new cases a year are being recorded, up from four million in 1980. At this rate, the agency says, one in four Americans aged 15 to 55 eventually will be infected.

The huge neon sign over a Coca-Cola bottling plant in the Allston section of Boston came down two years ago when the plant was demolished. But in 30 years it had become a landmark on the Massachusetts Turnpike, used by travelers to get their bearings. Now the state legislature has passed a bill permitting it to be rebuilt in the same place on what is now state land. Coca-Cola Co. will pay the $80,000 cost of the new sign.

Shorter Takes: The U.S. Transportation Department will reduce highway aid to Arizona and Vermont because those states have failed to slow down speeding motorists. It is the first time the government has penalized states for not enforcing the 55-mph (88-kph) limit. . . . The Federal Aviation Administration has begun testing a new system of overlapping air traffic controllers' shifts by half an hour to double-check against errors by the controller who has just come on duty. . . . Philadelphia's 124-year-old Union League club of business and civic leaders, faced by declining membership and pressure from the city council, has voted to drop its ban on women members.

Notes About People

Ronald Reagan plans to take the longest vacation of his presidency this summer, spending a month on his California ranch from early August to early September. He then will embark on a heavy schedule of barnstorming the country in behalf of Republican candidates for state and national office in the November elections.

Drew Lewis, secretary of transportation from 1981 to 1983 during Mr. Reagan's first term as president, startled people at a commencement ceremony at Haverford College in Pennsylvania, his alma mater, by ripping off a ceremonial hood and rejecting an honorary doctorate because of substantial opposition to the award by students and faculty members who opposed his role in the dismissal of 11,400 striking air traffic controllers in 1981. Mr. Lewis gave a five-minute speech defending his actions. The audience of 1,000 gave him a standing ovation.

— Compiled by
ARTHUR HIGBEE

Spy Trial Poses a Nightmare For Head of Security Agency

By Charles R. Babcock
Washington Post Service

WASHINGTON — Lieutenant General William E. Odom, the professorial director of the highly secretive National Security Agency, suddenly finds himself and his agency at the center of national attention thanks to the trial of a former NSA technician named Ronald W. Pelton.

Mr. Pelton is charged with betraying some of the agency's most-sensitive secrets to the Soviet Union for $35,000. According to the government, he told Soviet agents where Moscow was losing communications to the United States and, probably more important, about how effectively the agency was able to interpret the signals it intercepted.

For the director of the agency — a massive bureaucracy with 50,000 employees and a $4-billion annual budget — Mr. Pelton is the ultimate nightmare.

General Odom has told acquaintances in recent months that he feared that publicity about Mr. Pelton's disclosures might persuade other agency employees that, since many of the most important secrets now have been revealed, they would be freer than before to discuss what the agency does.

The general's concerns about leaks led him to take the initiative last week in the Reagan administration's effort to tell the news media how to cover Mr. Pelton's trial. Alarmed by press accounts of the opening day of the trial on Tuesday, General Odom proposed a public warning to the media not to speculate or report additional details about the case.

William J. Casey, director of the Central Intelligence Agency, also signed the warning, which caused a furor among news executives.

According to some of his friends, General Odom is surprised at finding himself in charge of the National Security Agency. Ten years ago he was a lieutenant colonel who doubted that he would ever become a full colonel and was teaching courses on Soviet government and comparative politics at the U.S. Military Academy at West Point, New York.

General Odom's meteoric rise since then was made possible by a professor he knew at Columbia University, Zbigniew Brzezinski, who became President Jimmy Carter's national security adviser in 1977 and drafted General Odom as his military assistant.

While working for Mr. Brzezinski, General Odom had a reputation as a hard-liner. He was "Zbig's superhawk," according to a former colleague.

His only formal assignment on the National Security Council staff was as "crisis coordinator." As such, he was privy to planning responses to events such as the Soviet intervention in Afghanistan and the takeover of the U.S. Embassy in Tehran.

Because of his close working relationship with Mr. Brzezinski, General Odom also worked on nuclear targeting, civil defense, terrorism and plans for a military rapid-deployment force.

Mr. Brzezinski, now an adviser to the Georgetown University Center for Strategic and International Studies, said that "General Odom is a top-notch professional." He added: "He is the military's top expert on the Soviet Union, and he's also a good tennis player. He would do well in any administration."

■ Trial Testimony

Jurors in Mr. Pelton's espionage trial listened raptly as a top official of the National Security Agency gave them a lesson in the art of intercepting signals, The New York Times reported from Baltimore.

William P. Crowell, chief of the agency's operations analysis group, told Friday how the agency tried to learn details of Soviet military movements, capabilities and plans by intercepting and analyzing communications.

At one point, Mr. Crowell compared the agency's job with the efforts of private citizens to use satellite dishes to intercept programs distributed by pay-television companies such as Home Box Office. Such companies recently began to scramble their signals to frustrate people who were intercepting them, Mr. Crowell said.

Mr. Crowell used the analogy to explain activities such as breaking encoded messages and countermeasures that can be taken against them. The government contends that the Soviet Union took such measures once Mr. Pelton told it of American capabilities.

Mr. Crowell vividly presented rudimentary examples of different communications methods by playing tape recordings of Morse code, teletype signals used to send printed messages and facsimile signals used to transmit images.

He discussed the importance of the signals the agency culled from the hundreds of thousands of transmissions emanating every day from diverse communications terminals around the world.

On several occasions, he spoke of the importance of intercepting signals that reveal how the Soviet Union's military units maneuver around the world. In particular, Mr. Crowell said, the agency sought information about "the disposition of their forces, the activities of their forces and the training of their forces."

AP

Ronald W. Pelton

White House Softens Trial Warning, Says It's Not 'Going After the Press'

By George Lardner Jr.
Washington Post Service

WASHINGTON — The White House has appeared to take a softer line on the Reagan administration's warning to journalists at an espionage trial in Baltimore to confine their reporting to the government's selected disclosures.

Edward P. Djerejian, a deputy press secretary, also declined to expand the warning concerning the trial of Ronald W. Pelton, the accused Soviet spy, into a general rule that might be applicable to reporting on national security matters.

"The immediate focus" is the Pelton trial "and the information that is involved at that trial," Mr. Djerejian said Friday.

He said there was "a larger question" beyond that, but he then went on to describe that larger issue as how the Reagan administration can best prevent disclosure of sensitive information by its own officials.

"It's not a question of going after the press," Mr. Djerejian said. "I think that's been hyped."

William J. Casey, the director of central intelligence, and Lieutenant General William E. Odom, the director of the National Security Agency, issued a joint statement following the publication of articles about the first day of the Pelton trial, which opened Tuesday. It "cautioned" reporters "against speculation and reporting details beyond the information actually released at trial."

The statement, approved in advance by President Ronald Reagan's national security adviser, John M. Poindexter, warned that such reporting would not constitute "authorized disclosures" and might cause "substantial harm to the national security."

In opening statements at the trial of Mr. Pelton, the government made what many regarded as extraordinary disclosures about U.S. abilities to intercept and decode Soviet messages.

Subsequent news articles and broadcasts contained background and details that, combined with disclosures over the last six months, concerned Mr. Casey and General Odom, the National Security Agency director said.

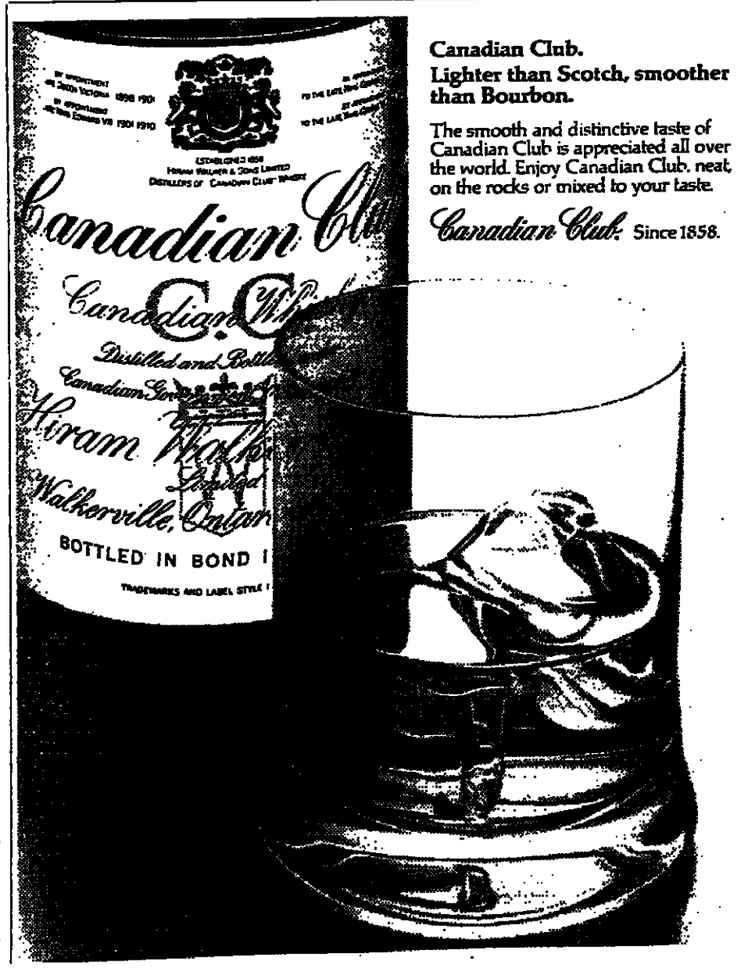
By Thursday, Mr. Casey, facing criticism from journalists and constitutional experts, said he was not trying to "scuttle the First Amendment," which guarantees press freedom. Criticized especially for seeming to say that journalistic "speculation" could result in criminal prosecution, Mr. Casey said that "if I had to do it over again, I might not use that word."

Mr. Djerejian agreed that "a better word than 'speculation' could have been found."

He also said the White House endorsed only "the general thrust" of the Casey-Odom statement. "In no way do we mean to imply, by the use of 'speculation,' prior press censorship or press censorship or in any way impinging on the freedoms of the press," he said.

Mr. Casey was scheduled to be at the White House on Friday for a ceremony at which Mr. Reagan awarded a Distinguished Service Medal posthumously to Captain Joseph J. Rochefort of the U.S. Navy, whose code-breaking successes helped lead to the U.S. victory at Midway Island in World War II.

Mr. Casey, for unexplained reasons, did not attend the ceremony, but a White House official joked that if he had, "He was going to come with instructions telling the press not to speculate on how Rochefort did it."



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Pressure on the Press

The Reagan administration has been in something of a retreat from the outrageous position on the press that the chiefs of two intelligence agencies expressed last week. William Casey of the Central Intelligence Agency and Lieutenant General William Odom of the National Security Agency had cautioned reporters covering a current spy trial "against speculation and reporting details beyond the information actually released at trial." Subsequently, Mr. Casey took back the word "speculation" and, in the course of pronouncing the press reaction to his first words "hysterical," insisted he was not trying to tear up the First Amendment. The administration, a White House spokesman added, does not condone "prior press censorship or press censorship or in any way impinging on the freedom of the press to report information and events."

These assurances are welcome. They do not, however, erase the widespread suspicion that in reacting to press leaks, the Reagan administration is pressing hard against the outer limits of reasonable behavior. It is not the first administration to feel plagued and persecuted by the porousness of government, or to identify its own embarrassment with a grievous assault on the national interest, or to take strong measures and to consider even stronger ones in order to ease its distress. Its fever, however, is very high. The coincidence of a rash of spy cases with the normal political wear and tear may explain some part of it. Whatever, the Reagan team badly needs to inject a dose of proportion into its responses to the rigors of political life and to show a keener appreciation for the liberties whose preservation is the first goal of government.

The Casey-Odom caution to journalists covering the spy trial in Baltimore of Ronald Pelton shows precisely the flaw. The two intelligence men made a revealing admission. "Certain classified information" is being released at the trial, they said, going on to say that the release had been decided on by "appropriate government authorities after careful consideration of the demands of trial and the potential harm that release of this selected data may cause the national security. The information thus selected has been carefully chosen to balance these competing interests."

The effort to keep secrets by prosecuting those who provide them to an enemy can involve some compromising of secrets; the tradeoff can agonize conscientious officials. The premise of the Casey-Odom statement, however, is that information is an official commodity and that only government can weigh "competing interests" and decide what part of it should be made public. We accept the government's right to establish a classification system. But we also assert the journalist's right to decide what to publish. Journalists do not lose this right when an official wields a "classified" stamp.

Responsible journalists, moreover, are not promiscuous in the exercise of this right. They do consider "competing interests." Sensitive information that comes this newspaper's way is regularly and conscientiously screened for its possible value to an enemy. You will not be surprised that there are cases at the margin where the judgments of an independent newspaper and an official agency differ. But you are entitled to know, and to expect, that even as journalists rise to protest the hint of official "cautions," they apply cautions of their own.

— THE WASHINGTON POST.

To Disinvest in Ulster?

Misguided legislation in half a dozen states, including New York, seeks to capitalize on the disinvestment protests against apartheid by blaming a few American companies in Northern Ireland for discrimination against Roman Catholics there. By demanding that the managers of public pensions use their leverage to influence the companies' hiring policies, these laws draw too facile a parallel with South Africa. By further increasing the difficulties of investing in Ulster, they risk more of the poverty that breeds the discrimination they deplore.

Ulster's Catholic minority does suffer economic discrimination at the hands of the Protestant majority. But discrimination is not a governmental tool of repression, as in South Africa. The British authorities in Northern Ireland prohibited discrimination in hiring 10 years ago and are struggling to enforce the law. Even so, American partisans of Ulster Catholics want the 26 U.S. subsidiaries there to observe the so-called MacBride Principles, fashioned after the Sullivan Principles for American companies in South Africa. Named for Sean MacBride, a former Irish diplomat and human-rights activist who had a hand in their formulation, the rules urge a kind of affirmative action for Catholics, with implied hiring quotas, an approach that is formally prohibited by fair employment laws.

American admirers of these rules want laws that fire across the bow of companies judged remiss in obeying them. Though they do not yet call for disinvestment, that is the threat. The New York bill now on Governor Mario Cuomo's desk "encourages" the state comptroller to consider a company's compliance before purchasing its stock with pension funds. A Massachusetts law directs the manager of state funds to monitor the situation. A bill approved by the New Jersey Senate would do much the same; a House bill would apply even greater pressure. New York City's pension fund investments are being used to that end.

Northern Ireland desperately needs investment. The unemployment rate is 23 percent and even higher in less industrial, predominantly Catholic areas. The violence in Ulster already discourages investors, and the threat of harassment, as the sponsors must know, will only add to deterrence.

American businesses can help alleviate unemployment and discrimination by cooperating with British efforts. They can only make matters worse if pressured to withdraw. Mr. Cuomo should veto the New York bill and help to defeat a well-intentioned but mischievous campaign.

— THE NEW YORK TIMES.

For Humanitarian Aid

Many aspects of foreign aid are controversial, but few Americans, if they stopped to think about it, would cut back on the humanitarian programs that the country has supported for decades. Money for health care, food assistance, child nutrition, family planning, education and refugee assistance, for example, is desperately needed in the Third World and is widely viewed in the United States as having a direct impact on individuals and families, rather than on governments. Similarly, the Peace Corps, UNICEF and other organizations dedicated to direct service are popular because they are seen to provide the personal care to the world's poor that Americans want to give, as taxpayers and as private donors too. It is just this kind of aid that is threatened in the budget battle going on now.

President Reagan has submitted a request for an international affairs budget of $22.6 billion to cover foreign aid and other State Department functions. Of this, $15.4 billion is for foreign aid, but it is heavily weighted on the military and security assistance side. Countries with U.S. bases and those that need military assistance would get $5.2 billion. Israel and Egypt alone are to receive $5.3 billion. Every other bilateral aid program and all the humanitarian aid efforts then would have to split up $4.9 billion. As things are going, it appears that after the Gramm-Rudman-Hollings squeeze — the budget-balancing bill is expected to force a 20-percent cut in the overall international affairs budget — most of the security requests will remain untouched and almost all the cuts will hit aid to poor countries and humanitarian assistance. Why should that be?

Security obligations to allies must be sustained. But in an era of unprecedented budget restraint, must they be increased, as the request for Israel and Egypt was? It is painful and unjust for cuts to fall disproportionately on programs that directly help individuals and families in need. There is no good justification for the cuts now contemplated in these services.

— THE WASHINGTON POST.

Other Comment

Flowers in an African Desert

The ideological point-scoring by the superpowers at the unprecedented UN debate of the African crisis has been no less disappointing for being entirely predictable. The Russians blamed (neo-)colonialism, for which read the West; the Americans blamed "now-discredited orthodoxies," for which read Marxism. Neither thought the havoc caused by huge arms shipments from East and West worthy of mention as a factor in the present chaos. Also missing from their crabbed interventions were any specific promises of aid. The British and French contributions were no more substantial. If was left to three minor powers, the Netherlands, Denmark and Canada, to take a practical step toward reducing the pressure on the suffering continent by easing its debts to them. Three little flowers in a desert are better than none.

— The Guardian (London).

If it had not been for the deeply moving, though slightly ironic, sight of the overfed West sweating off the pounds to help underfed Africa [in the Sport Aid events], the UN session would probably have passed unnoticed. But throwing money at Africa will solve nothing. It will just be caught by some particularly sticky fingers. What is needed is a thoughtful rescue plan, in which aid plays an important part, but not the only one. Above all, it needs to tackle Africa's debt crisis. But the debt initiative launched last year by U.S. Treasury Secretary James Baker hardly touches Africa. Africa needs it own debt initiative — fast.

— The Observer (London).

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OPINION

A Dangerous Decision on SALT, and a Possible Way Out

By Albert Gore Jr.

The writer, a Democrat of Tennessee, is a member of the Senate Arms Control Observer Group.

GENEVA — President Reagan's announcement Tuesday that the United States will no longer be bound by the second Strategic Arms Limitation Treaty — and would violate one of its central provisions later this year if the Soviet Union failed to make "radical changes" in its behavior — may be judged by history as his most serious mistake. This decision illustrates the Reagan administration's ambivalence about arms control and its deep confusion about U.S. strategic goals.

The president is justified in condemning Moscow's violations of existing arms control agreements. But his proposed remedy would hurt the United States far more than it would hurt the Soviet Union and would greatly increase the danger to both.

The Soviet Union now has four "hot" production lines for making intercontinental ballistic missiles and can quickly expand the number of warheads on its already deployed SS-18 heavy missiles. The United States has one "lukewarm" production line and no real ability to quickly increase the number of warheads deployed.

Second, if both countries continue to respect the treaty, Moscow will have to dismantle and destroy far more launchers than Washington will in the next several years. Russia has already destroyed more than 1,000 missiles to comply with SALT-2 restrictions, while the United States has had to destroy fewer than 100.

Third, the Soviet leadership does not need a political consensus to assign top budget priority to its military or to produce and deploy new weapons. As a self-governing people, Americans do require such a consensus. This decision will itself make that already difficult process even more difficult. The new fiscal constraints of the balanced-budget law will further complicate the U.S. ability to engage in an accelerated arms race.

Fourth, America is part of a strategic alliance with truly independent partners, while Moscow's Warsaw Pact allies are subservient puppets. The abandonment of SALT-2 has already meant new strains for the North Atlantic Treaty Organization.

Fifth, the decision is based on what may be a tragic miscalculation of the Soviet Union's most likely response. Instead of making the "radical changes" that President Reagan has demanded of them, the Russians may well see the lifting of the SALT-2 limitations, coupled with an aggressive American effort to build missile defense systems, as a simple one-word message: "Build!" — build offensive missiles and build them fast.

But what about Soviet noncompliance? Does the United States not have an obligation to hold the Russians accountable? They have deliberately impeded U.S. efforts to verify their compliance with SALT-2 by heavily encrypting, or encoding, information from missile tests. They have developed two new types of missiles instead of the one permitted by the treaty. And they have brazenly violated the Anti-Ballistic Missile Treaty's restrictions by building a new defensive radar at Krasnoyarsk, in central Siberia.

These violations clearly demand an active response. Luckily, there are alternatives to abandoning SALT-2. The United States can, for example, go forward with plans to deploy a new single-warhead mobile missile as a "proportionate response" to its Soviet counterpart, the SS-25. And the U.S. military can increase the number of "penetration aids" carried by missiles targeted in the vicinity of the Krasnoyarsk radar to eliminate whatever military advantage comes from its inland location.

Solutions for the data-encrypting problem are more difficult to find. Nevertheless, the changes required of the Russians in this area may not turn out to be "radical," and a meaningful change could produce a very significant result. Some people close to President Reagan are convinced that an end to encrypting of missile tests would greatly improve his basic view of Soviet motives.

America should consider what changes in its behavior might contribute to the kind of strategic outcome the administration says it wants. After all, the United States has failed to ratify the last three treaties signed with the Russians. And Mr. Reagan has called into question the ABM treaty with what many believe is a preposterous reinterpretation of one of its important provisions governing new and exotic defensive systems.

The president, wisely, has abandoned the reckless rhetoric of his first two years in office, but serious doubts remain about his basic goal in relations with Moscow. What he must clarify, in his own mind and in policy, is whether or not he really wants to establish a working relationship with the Russians that relieves the enormous pressure the two sides are now placing on each other. Does he or does he not want stability in the nuclear relationship with Moscow?

Some of the president's top advisers seem genuinely to believe that the basic character and motivation of the Soviet regime make it impossible to work out a useful modus vivendi. In this view, America can emerge free and secure from competition with the Russians only if their system is somehow transformed by external and internal stresses. From this perspective, arms control — with its promise of diminished competition and risk — only eases pressures on the Soviet Union and is therefore undesirable.

According to this view, America's tacit, though unstated goal must be to re-establish some form of strategic superiority. It happens to be politically unfeasible to accomplish this by beating the Russians in an offensive arms race. So hardliners now seek to achieve it through another means — a version of the Strategic Defense Initiative quite different from what the president originally proposed.

The president still speaks of the SDI as a comprehensive defense that will replace U.S. dependence on classical deterrence — the threat of retaliation against a Soviet attack. But many in his administration define SDI as a limited defense of U.S. retaliatory missiles that will enhance rather than replace deterrence. While the president still envisions a "cost-effective and invulnerable" defensive system to be deployed jointly by the United States and the Soviet Union, his defense secretary is designing a system to be deployed as rapidly as possible without regard to cost effectiveness or to Soviet cooperation.

This confusion must be cleared up. The next few months will be a critical period — particularly dangerous but also an opportunity for a breakthrough. The possible convergence in early December of a second summit meeting and the scheduled reconsideration of SALT-2 makes it imperative for the superpowers to reassess their goals and practices.

A plausible agreement would include an American decision not to undercut SALT-2; a Soviet decision to reduce its encrypting; an agreement on a genuine and fair 50-percent reduction in strategic offensive forces; a moratorium, of a decade or more, on actual deployment of strategic defenses; and an agreement to redefine with greater precision some important terms in the ABM treaty.

Such an agreement may be accessible and acceptable to both countries if the proper decisions are made between now and December.

The New York Times.

Could 'Star Wars' Signal Decline of the Arms Race?

By Jeremy J. Stone

WASHINGTON — The Strategic Defense Initiative, with all its potential for accelerating the arms race, is also, paradoxically, a symptom that the contest is petering out. Which tendency prevails depends on how far the program gets.

The "star wars" approach was evident in earlier arms races. More than a quarter of a century ago, in an essay titled "Arms Race: Prerequisites and Results," Samuel P. Huntington of Harvard described the Strategic Defense Initiative precisely:

"States may define absolute qualitative goals, such as the erection of an impenetrable system of defenses (Maginot Line) or the possession of an 'ultimate' or 'absolute' weapon, which will render superfluous further military effort regardless of what other states may do."

Mr. Huntington also predicted the Reagan administration's underlying motivation, noting:

"The formulation by a state of its armaments goal in absolute terms is more likely to reflect the desire to obscure from its rivals the true relative superiority which it wishes to achieve, or to obscure from itself the need to participate actively in the balancing process."

Thus, in terms of arms races, the Strategic Defense Initiative is a kind of escapist business-as-usual approach coupled with the urge to pursue superiority without calling for it and to avoid arms control accords ("the balancing process").

But why, in this day and age, might SDI be a symptom of the impending decline of the contest itself?

Because nothing less can reshape the strategic balance. Nothing less can keep the contest moving in a strategically important way.

For the weaponeers, a failed SDI would be a hard act to follow. After all, more offense is no substitute for defense in destabilizing the existing parity of force. Consequently, an SDI system that is not deployed (for whatever reason) will have served mainly to expose the bankruptcy of subsequent arms procurement that is of a less revolutionary nature.

Look closely at the advice implicit in the 1982 "High Frontier" report by the father of the SDI, Lieutenant General Daniel Graham:

"The only viable approach for a new administration to cope with growing military imbalances was to implement a basic change in U.S. grand strategy and make a 'technological end run on the Soviets.'"

Put another way, the only way to break out of an obvious parity of forces — with each superpower ready to launch 10,000 strategic weapons at the other — was to embark on a Maginot Line in the sky.

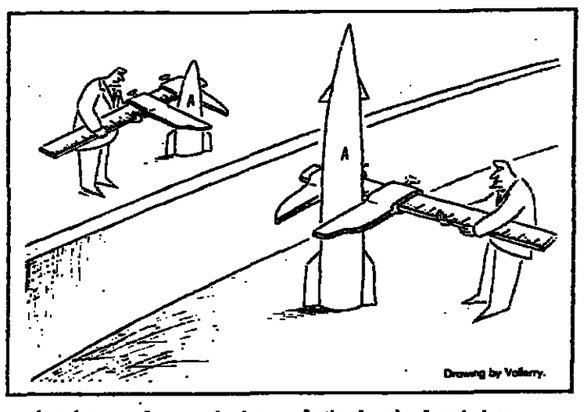
This fantastic idea is growing more threadbare as the estimates of costs and potential Soviet countermeasures become more accurate. A trillion-dollar down payment on an ongoing contest is the current estimate.

Ask yourself what will happen if, as seems likely, no future president — and no future budget — can maintain the credibility of this notion. In this case, parity of effective strategic forces will, finally, have to be accepted — with all the more persuasiveness for the United States having tried the SDI approach.

No doubt there will be additional things to discuss: mobile missiles, sea-based counterforce, anti-submarine warfare and all the rest. For young analysts growing up in the middle of the contest, it would still qualify as an ongoing arms race, with new technologies always available for discussion. But after a failed SDI effort, most of the world would, it seems likely, accord the contest a certain benign neglect. A growing indifference to matching the other side could be expected. And defense "scares" in such an environment would continue to decline in political significance as they have done, after all, for the last 25 years.

Of course, if the Anti-Ballistic Missile Treaty is broken, as the Reaganites would like, the contest will get a new impetus. Fears of a Soviet defensive system will encourage U.S. offensive weaponeers, and vice versa.

Accordingly, maintaining the ABM treaty is crucial. With this treaty one can imagine entering the next century in an atmosphere of arms race tranquillity. If, on the other hand, the treaty is breached and both sides lurch into missile defenses, then we can imagine, for this dynamic to work itself out, perhaps two or three more decades being added to the effective length of a virulent contest.


Drawing by Volkerry.

Those in Washington who fear the Soviet Union more in a context of détente than in a context of hostility are working diligently to break this treaty as they now appear to have done with the SALT treaty.

Mr. Huntington may have been right that a "sustained arms race is much more likely to have a peaceful ending than a bloody one." Since this 40-year contest is already much longer than any of the dozen that he studied (the longest was the 26-year naval contest between England and France that started in 1840), the likelihood of war in any given year may be low. But the longer the festering sore of the contest remains unhealed, the more years it has to erupt. In any case, two or three unnecessary decades of arms race are an expensive proposition, even if the additional risks of war they provided were nil.

Will the arms race confirm the metaphor that it is always darkest before the dawn? This is what is being currently decided in Washington.

The writer, director of the Federation of American Scientists, contributed this to the Los Angeles Times.

Spain: Cramming 300 Years of Change Into a Decade

By William Pfaff

MADRID — The dimensions of the gamble taken by Spain in entering the European Community and NATO should not be underestimated. Spaniards have everything to gain, certainly, but the risks are considerable. This is a fragile economy, a society under tension because of the changes that have flooded it since 1975, the year Franco died.

The elections called for June 22 by Prime Minister Felipe González — to capitalize on his referendum victory in March on membership in the North Atlantic Treaty Organization — will take place with 22 percent of the labor force unemployed and the nation more vulnerable to the industrial competition of the developing countries than any other of the advanced industrial states.

Mr. González's Socialists promised to create 800,000 new jobs when they campaigned for power in 1982. Since then, they have presided over the net loss of almost exactly that number. The good news is that last year, for the first time in a decade, the unemployment rate stopped rising; 50,000 jobs were created.

There is an unaccustomed optimism in the latest assessment of the Spanish economy by the Organization for Economic Cooperation and Development, published in April. It speaks of "a clear turning point" reached in the mid-1980s, policies that "have started to bear their fruits," and of "the country's relatively strong growth potential."

This assumes political and social stability, which the country's elites are determined to maintain. Since Franco died there has been an unspoken alliance between left and right to solidify the place of democracy in the country. Spain today has the youngest government in the Western world, and the king and the opposition leaders are young as well. For all of them the past is well and truly past.

Political, social and economic change have all come with unsettling speed since Franco's death.

It has been an imposing and successful achievement politically. Juan Linz, a Yale University sociologist, has spoken of how astonishing it was to set out to create a new constitutional monarchy in Europe in these closing years of the 20th century.

Franco conceived of doing it, and King Juan Carlos has made it work — for which gratitude is due them both. Anton Sarasqueta, a Spanish commentator, notes that the Communist leader Santiago Carrillo, who bitterly opposed Juan Carlos during the 1970s as potentially another Franco, has shifted gears. Thanks to Juan Carlos, Mr. Carrillo now says, "the Spanish monarchy may last a thousand years, if the country continues to be democratic."

Politics, however, is not all. The pace of social change has been unsettling. Spaniards' assumptions about religion, family, human relations and responsibilities all have been challenged in a few tumultuous years. A serious drug problem has developed, worsened by a youth unemployment rate of nearly 50 percent.

Basque nationalism, like Irish nationalism, an anachronism left over from the romantic national movements of the early 19th century, sustains a terrorist organization that all too regularly "executes" — in its vocabulary — an army officer, a policeman or a government official. Crime levels have soared, in a country that under Franco was one of the most secure in Europe.

The international political role of Spain is another source of tension. That Spain belongs in the European Community is widely agreed, although the troubles that adjustment to European competition will cause a great many Spaniards are still, perhaps, not fully appreciated. That Spain belongs in NATO — even without military integration — remains disputed, despite the absolute majority that said yes in March.

There was a measure of resignation in that vote. It had to be done as part of the commitment Spaniards had already made to Europe. One outcome, though, was a certain revival of the extreme left. Even before the vote, nearly three-quarters of the public over age 18 had expressed the opinion that there is "no value or ideal which can justify a war."

Anti-Americanism is marked. Conservative forces look upon the United States as the enemy of "a Christian and European culture." Felipe González said last month that the belief exists in Spain that it is the United States which supports totalitarianisms in the world. Spain, he said, does not see itself threatened by the Soviet Union.

The government opposes U.S. policy in Central America and strongly backs the Contadora proposals for Nicaragua. Spain's relations with the Arab world are so close that when the United States prepared its attack on Libya in April, the overflight of Spain was not even considered.

Spain has seen the telescoping into little more than a decade of forces that took 300 years to change the rest of Europe. It has dizzily traveled from civil war and absolutism and a proto-industrial economy into the modern world, with all of its ambiguous blessings. The Spaniards have been time travelers, and the trip is not over. There are pains still to come.

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As America Turns Inward, a Warning

By Philip Geyelin

WASHINGTON — A genial encounter the other day with George McGovern, in good humor and looking fit, set me thinking back to the start of his 1972 presidential candidacy in a convention hall in Miami. At 3 A.M. (prime time in Guam, it was noted), Mr. McGovern looked weary as he accepted the Democratic presidential nomination with a limp appeal: "Come home, America."

It was easy to write it off to the "Vietnam syndrome" or to joke that it had the ring of a man on his kitchen stoop, calling his dog. And yet today, it has the ring of prophesy. A good case can be made that Mr. McGovern was playing not just to a malaise of the moment but to what historically has been a natural U.S. inclination: to retrench abroad under the pressure of domestic imperatives.

If you doubt the strength of this inclination, listen to President Reagan arguing for aid to the Nicaraguan "contras." He vows that the Republicans will "stand a lonely vigil to guard the gates of freedom" — at least until the November congressional elections. Then, he says, the electorate will have a choice between a "weak, isolationist America in a world held hostage by pro-Soviet tyrants and Third World despots, or a strong, secure America that accepts its destiny as leader of the free world."

Now that is Reagan being Reagan. Indeed, a recent issue of the Heritage Foundation's "National Security Record" finds the president finally standing up for the sort of things he stood for when he ran for the office in 1980. What seems to escape the notice of the Heritage people is that Congress has already brought the Reagan defense buildup to a grinding halt.

Listen now to Secretary of State George Shultz, bending his every effort to rescue the U.S. economic and military aid program, including critical funds to fortify American embassies and consulates against terrorism, from "devastating" congressional cutbacks. "What is being perpetrated here is a tragedy for U.S. national security," proclaims Mr. Shultz, warning of the prospect of the United States "withdrawing from the world."

The secretary is not kidding. And the problem is not new. U.S. presidents from Eisenhower on have never had an easy time winning congressional support for foreign aid to the Third World; that kind of aid program has never had much of a constituency. But past presidents have not been caught up in a budget-balancing bind — with a foreign-aid program that offers almost no wriggle room. Of the nearly $13 billion earmarked for the 10 biggest recipients, almost half goes to Israel and Egypt; Israel is politically untouchable and so, under the agreement accompanying the Camp David accords, is Egypt.

Four of the top 10 (Turkey, Greece, Spain and Portugal) are NATO partners; strategic military bases are involved. Subic Bay and Clark Field in the Philippines are said to be strategically irreplaceable. Pakistan is a crucial conduit for aid to the Afghan rebels. Honduras and El Salvador are critical for Central American policy. So the issue Ronald Reagan would pose to voters is not simple.

Congressional leaders see it as a choice between foreign aid and domestic welfare. But Mr. Shultz points out that only 2 percent of the federal budget goes to "all activities directly in support of our foreign policy." The real issue, State Department people rightly argue, is a balancing of security priorities. Any significant reduction of the U.S. presence and influence in countries like Turkey or the Philippines almost instantly raises the issue of military bases. That throws the really hard choice — the balancing of risks and the reordering of security priorities — back to the administration.

It is not easy, for example, to imagine how America can fulfill its "destiny as leader of the free world" with a 600-ship navy sailing around with no place to park for refueling or refitting. Nor is money everything: The U.S. capacity to influence events in the Gulf is hardly enhanced when huge majorities of both houses of Congress vote down an arms sale to a country as central to U.S. strategic planning in that region as Saudi Arabia.

There is more than one way for America to "come home" — by conscious, careful design, or by the collapse of a budgetary strategy that refuses to take into account that the money is not there to pay for Reagan being Reagan. When you are confronting the realities, Mr. Shultz's grim forebodings do not look far-fetched.

Washington Post Writer's Group.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Hopes for Mexico

NEW YORK — Following the departure of President Porfirio Diaz, the hope is universal that peace in Mexico will prove permanent. The New York Times says: "Mexico has had quite enough of fighting. Peace will be a blessing for her, and will relieve her friends in the United States of some anxieties. It will be the hope that the government she establishes will be wise and stable." The Galveston News remarks: "The men who shall redeem Mexico and make conditions there better for the common people have their work all laid out for them. It is a task fit for big men. Maybe Francisco Madero is the man to undertake it. Possibly it will require efforts of stronger men than the present revolutionists." The Omaha Bee adds: "Mexico will have big problems to meet through leaders who are largely inexperienced."

1936: Revolt in Nicaragua

NEW YORK — Messages from Managua, Nicaragua, state that revolting detachments of the National Guard attacked President Juan Batista Sacasa in his palace [on May 31] but were routed after a two-hour machine gun battle. During the fighting several bullets hit the U.S. Legation. Former President José Maria Moncada is reported to be assisting the revolt. The city is panic-stricken and there has been a general exodus. Fighting is also reported from León, where rebels under General Anastasio Somoza are understood to be attacking the El Fortin fortress. Somoza is supported by a thousand National Guardsmen. Sacasa is holding out at the Presidential palace; but Somoza is controlling a greater area throughout the country. Members of the diplomatic corps appealed to General Somoza to halt the fighting.

OPINION

The Court Should Protect Even This Backyard Grass

By George F. Will

WASHINGTON — The Supreme Court, ever-preoccupied with fundamental matters, has come to the conclusion that a man's home is his castle but his backyard is just the castle's "curtilage" and enjoys a lot less privacy. So a Mr. Ciraolo, California home-owner and marijuana grower, has lost his case and will go to a dungeon beneath a castle moat, or wherever they send such people in California.

The question was: Was the Fourth Amendment protection against unreasonable searches violated from an altitude of 1,000 feet (305 meters)? In the Supreme Court, the home of close calls, reasonable people often differ about the meaning of "reasonable."

The meaning of "curtilage" is clear. It is the area immediately surrounding a home, an area where expectations of privacy are heightened.

In 1982, the Santa Barbara police received an anonymous tip that the grass in Mr. Ciraolo's backyard was the wrong sort. The police wanted a view of Mr. Ciraolo's crop. Imagine their frustration when they found the backyard — sorry, the curtilage — enclosed by a six-foot outer and 10-foot inner fence.

They could not get a search warrant on the basis of an anonymous tip, but they could get an airplane. They flew over Mr. Ciraolo's curtilage and got enough — a clear view of the marijuana — to get a warrant. Mr. Ciraolo was arrested and convicted.

In the Supreme Court, he argued that his Fourth Amendment right of privacy was violated by the surveillance from an airplane. He lost. He should have won. Chief Justice Burger, speaking for Justices White, Rehnquist, Stevens and O'Connor, raised sophistry to a new height — about 1,000 feet.

Mr. Ciraolo argued that the officers would have required a warrant to see from the ground what they saw from the air. If they had, without a warrant, used a ladder to peer over his fence, they would have had the ladder knocked out from under them, so to speak.

But Mr. Burger's majority made much of this flimsy fact: Any member of the public flying in the airspace above Mr. Ciraolo's house could have glanced down and seen what the police saw. Mr. Burger also said a 10-foot fence would not shield a marijuana crop from a policeman perched atop a truck or double-deck bus. A curtilage is not excluded from all police observation. Policemen need not "shield their eyes when passing by a home on public thoroughfares."

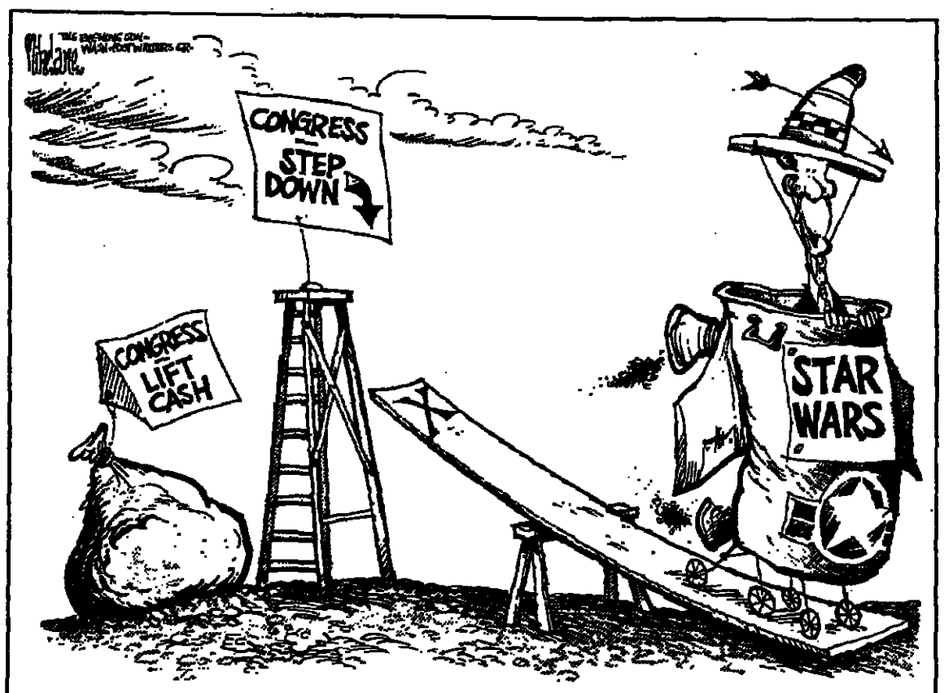
In other words, suppose the police had passed on a big bus. Suppose all you like. This did not happen.

Hearing Mr. Burger's thought, the four justices who disagreed must have been tempted to make a noise like a truckload of coal sliding down a tin chute. But such is the mutual esteem in which the justices hold each other, or pretend to, that Justice Powell probably just rolled his eyes heavenward. In his dissent (joined by Mr. Brennan, Mr. Marshall and Mr. Blackmun), he said:

The crucial point about a search is not the physical position of the police. The crucial matter is whether the police action violated an expectation of privacy that was reasonable and constitutionally protected. Obviously the Constitution does not disable policemen from observing what any member of the public could see. However, the officers in this case were not just ambling observantly. They were swooping over a house in a plane obtained for that purpose. It is unconvincing to compare the threat to privacy from police swooping over a targeted house and the potential loss of privacy from an idle glance of a passenger in a commercial airliner.

No one disputed that Mr. Ciraolo's crop was marijuana. He deserves a spell in that dungeon beneath that moat. But there should be a durance vile for justices who use an argument as weak as the one the majority used.

Washington Post Writers Group.



"Technology?! Shoot, we've got all the technology we've ever needed!"

I Suppose I Must Have Died, Since the Computer Said So

By Forman Brown

LOS ANGELES — I first became aware of my death last May when my checks began to bounce. Never having experienced bouncing checks before, and knowing that I had a respectable balance at the bank, I was shocked and angry. When I examined the returned checks and found, stamped over my signature on each of them, "Deceased," I was mystified. Then, when one of the recipients of my checks, a utility company, demanded that I appear in person, cash in hand plus $10 for their trouble — their trouble! — I was shocked, angry and mystified. I wondered how they expected us deceased to acquiesce.

MEANWHILE

I visited the bank, which had, I thought, been my friendly protector for 20 years or so. The young lady to whom I was assigned assured me that nothing like this had ever happened before, so it couldn't have happened now. But it had happened, and obviously the fault was not mine, since there I was, sitting before her, alive and, naturally, kicking.

The young lady was apologetic but had not the foggiest notion of what was to be done. I suggested that she call on a higher authority, and with evident relief she directed me to Window 1, where I could speak with Mohammed. Mohammed? "Good Lord," I thought, "they have not only killed me, they are sending me to the wrong heaven."

However, I obliged, and sure enough, after some delay, Mohammed, banker personified, appeared at the window. I repeated my story, and his reaction was much like that of the young lady. He could not account for such a "mistake," a word I felt to be singularly inept for what his institution had done to me. He ventured that the fault must lie with the computer and assured me that I would be restored to the land of the living.

I went home to rewrite the checks and a dozen explanations, including one to a friend in Michigan who had returned his check to the bank with a gratifying letter of condolence to my "estate."

I assumed now that I was alive until my June bank statement arrived and I found that there was no record of my Social Security payment, which for years had been automatically credited to my account on the third of each month.

Mohammed and I met again, and it now appeared that whatever had killed me in the bank's computers had spread to those of the Social Security system.

I was advised to visit the local office of Social Security, to prove that I was alive. Since this confusion was between the bank and Social Security, I felt that a visitation by Mohammed rather than by me was in order. Still, I went.

After a long wait in line I was confronted by a woman who was not apologetic, just certain that there was absolutely nothing amiss in her records.

When my July statement still showed no payment, I went off once again to the Social Security office. This time I encountered a true gentleman. He wrote out in detail my sad story and assured me to be patient and all would be well.

Home I went, hoping that the worst was over. The bank agreed (what else could they do?) to credit my account each month with the amount of money due me from Social Security until such time as that agency admitted that I was alive and renewed my payments.

That happened seven months later, in December. All was well.

Or so I thought. Last month I had a call from my doctor's secretary. It appeared that Medicare had refused to accept his bill because the date of services rendered me was six months later than the date of my decease. So now I am lost in one more computer system.

If I were 20, this ado might be merely irritating, with my death possible but remote. At 85 it can only seem probable, and much too near. Ah well, at least after 20 years, they know me at the bank.

Los Angeles Times Syndicate.

LETTERS TO THE EDITOR

U.S. Envoy to Vatican

The resignation of William Wilson as ambassador to the Holy See provides the United States with an opportunity to name a non-Catholic to this important diplomatic post. This step is essential for both domestic and foreign policy reasons. It would undercut false accusations that Catholics meddle in domestic affairs through the Vatican and would emphasize the true nature of our diplomatic relationship with the Holy See.

We do not deal officially with the Vatican for religious reasons but rather in recognition of the church's contacts, moral influence and political power in the world. These reasons impel scores of non-Catholic countries to maintain ambassadors to the Vatican.

Countries like Britain, Finland and Denmark in principle do not name Catholics as ambassadors to the Vatican. They are keenly aware of the wisdom of this policy in their predominantly Protestant countries. For the United States to follow such a policy would, I am certain, weaken the attacks of groups that oppose relations with the Vatican — usually on unfounded grounds.

ROBERT F. ILLING.
Deputy U.S. Representative to the Vatican, 1970-1975.
Porto, Portugal.

U.K. Must Help Palestinians

It would have been more fitting for Mrs. Thatcher to use the occasion of the first visit of a British prime minister to Israel to announce in Jerusalem that Britain, in recognition of its role in the dispersion and forced exile of the Palestinian Arabs, would grant temporary British passports and residence permits to all those Palestinians.

In addition Her Majesty's government should underwrite the Palestinians' need for housing, clothing and health care, and pay Palestinian exiles the value of the use of their houses, lands and property since 1948 until present including compound interest. Britain should continue to make annual payments to the Palestinians until a morally acceptable settlement is reached between Palestinians and Israelis.

Britain's liability and responsibility for the pain and suffering of Palestinians is well established and historically documented. Present Palestinian leadership can use Germany's compensation payments to Israel as a precedent.

DR. SAMI JADALLAH.
Geneva.

Customs Fee in Reverse

You reported on May 12 that "beginning July 7, the U.S. Customs Service will charge $5 per person for inspecting the luggage of travelers entering the United States." In the course of my life I have heard many travelers speak of customs officers in various parts of the world accepting the equivalent of $5 for *not* inspecting their luggage, but the mind boggles at this one. Is it to be understood that one can economize $5 by refusing to allow inspection?

PETER HESENGE.
Marrakech, Morocco.

Farmers With Blinders

I read "Oklahoma: Dusty Rigs and Fading Fortunes" *(Insights, May 16)* with interest. What perplexes me is that with such enormous gross incomes, the farmers do not diversify their activities to ensure survival in bad times. It seems that all the money is reinvested with additional credit from the banks. This is not reasonable economics but merely the behavior of gamblers.

JUERG ROTH.
Ziefen, Switzerland.

Growling at Mexico

Regarding the opinion column "U.S.-Mexico Blowup: Time for Plain Talk" (May 24-25) by Philip Geyelin:

On the charges of Mexican government complicity in the supply of drugs to the United States, I would be willing to bet that as many and as powerful U.S. as Mexican police and government officials have been bought with drug money. But the war on drug abuse is not being lost because of the venality of such people. It is being lost because society does not disapprove of drug use sufficiently to punish users.

There is no moral difference between the man who purchases drugs illegally for recreational use, and the man who sells them to him. Indeed, if a distinction is to be made, it should favor the seller, who at least is doing real work — distribution and sale — that he may need to do in order to support himself and his family. The user, at least of soft drugs (which comprise the overwhelming bulk of the trade) breaks the law just for fun.

Either the United States should accept the large-scale recreational use of soft drugs or it should impose a deterrent penalty on users. It's useless to growl at our neighbors for not doing what we won't do ourselves.

DALLIS RADAMAKER.
Haarlem, The Netherlands.

UN's Mission Jeopardized

It is not only the United Nations itself and its much-criticized Secretariat in New York that are affected by the UN's financial crisis. The specialized agencies are also feeling the pinch. These agencies, among them the World Health Organization, the Food and Agriculture Organization and the International Telecommunications Union have, respectively, eradicated smallpox, led efforts to conserve the world's forests and guided the development of telecommunications networks.

A list of the achievements of these and the 15 other specialized agencies and programs would fill pages. Is it really the intent of the U.S. politicians, citing public pressure to reduce the "bloated bureaucracy" of the UN Secretariat, to hamper the efforts of the other UN agencies and offices as well?

Much attention has been focused on the so-called weakness of the UN system. Yet, much as been achieved and at very little cost when one compares the resources that are used daily to build weapons and fund armies.

Despite reports of "unconscionable salaries and benefits," the United Nations is unable to recruit sufficient numbers of nationals from the United States, Japan and the Federal Republic of Germany to satisfy geographical distribution quotas — because United Nations salaries and benefits cannot compare with what these countries offer their nationals serving their government abroad or working for the private sector.

Criticism of the UN staff has become increasingly violent, directed against the staff's integrity, efficiency, conditions of employment and, in the final analysis, against the very existence of the international civil service.

If the member states, in their efforts to voice their political dissatisfaction with the United Nations, continue to target the staff, there will come a time when the United Nations will no longer possess the tool it needs most to carry out its mission — a competent, independent, international civil service.

MARJORY DAM, President.
Federation of International Civil Servants' Associations, Geneva.

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Sikhs Remain Angry Over Raid on Shrine

By Steven R. Weisman
New York Times Service

NEW DELHI — A month after paramilitary policemen ejected 300 Sikh extremists from the Golden Temple at Amritsar, the mainstream Sikh leaders of Punjab remain angry and divided over the raid.

In addition, the continuing wave of killings of Hindus by Sikh extremists in Punjab have led small numbers of Hindus to flee the northern Indian state, where Sikhs predominate.

Officials and politicians involved in trying to end the sectarian violence have been nervously awaiting the first week of June, when Sikh extremists say they plan to march on the Golden Temple to force the police to leave.

Paramilitary forces were pulled back Saturday from the area immediately around the Golden Temple, but they continued to stand guard in several buildings in the huge temple complex.

The march is timed for the anniversary of the 1984 army assault on the temple, the Sikh religion's holiest shrine, in which hundreds of people were killed. Many experts say they expect an increase in violence as the anniversary approaches.

The 1984 assault, ordered by Prime Minister Indira Gandhi, infuriated most Sikhs, including those unsympathetic to armed extremists in the temple complex. Mrs. Gandhi was later assassinated by two Sikh security guards.

The events of the past few weeks have made the situation reminiscent of the troubles in 1984.

"Circumstances beyond everyone's control seem to be pushing Punjab inexorably to the precipice of disaster," said The Tribune of Chandigarh, the state's largest newspaper. It suggested that the chief minister, Surjit Singh Barnala, call out the army to cope with the violence.

Mr. Barnala, a moderate Sikh, said last week that he had no intention of bringing in the army. Instead, he and the New Delhi government are working to improve police effectiveness.

He also has come under attack in his own camp for agreeing to the police raid on April 30, in which one person was killed. Mr. Barnala's critics say he committed a sacrilege comparable to the army raid ordered by Mrs. Gandhi.

"Those who are at the helm of affairs should study the history and character of Sikhs," said Prakash Singh Badal, a former Punjab chief minister and a severe critic of Mr. Barnala. He said that the extremists "cannot be won over by violence but by love and affection."

Mr. Barnala ordered the ejection of the extremists one day after they proclaimed an independent Sikh nation to be called Khalistan.

The five head priests of the Golden Temple also called on Mr. Barnala to act. But after he did, the head priests, apparently under pressure themselves, ordered Mr. Barnala to perform penance for a week by cleaning the shoes removed by worshipers at various Sikh temples.

For one week, newspapers published pictures each day of Mr. Barnala visiting temples in Punjab and New Delhi to dust shoes, an act of extreme debasement in Indian tradition.

A more serious problem Mr. Barnala faces is the battering of his political base as chief minister. Led by Mr. Badal and other prominent politicians, a group of dissidents broke away from Mr. Barnala's party after the police raid and called for his resignation.

As a result, the hard core of Mr. Barnala's followers now are only a minority in the state assembly. But his government is in no danger of falling because Prime Minister Rajiv Gandhi has ordered the Congress Party (I) to back him in any major votes.

■ **Control of Chandigarh**

The Indian government announced Saturday that in three weeks it would transfer exclusive control of the city of Chandigarh to Punjab, fulfilling its pledge to the state, The Associated Press reported from New Delhi.

Chandigarh, straddling the border between Sikh-dominated Punjab and the Hindu-dominated state of Haryana, currently serves as capital for both.

A government statement said control of the city, 155 miles (250 kilometers) northwest of New Delhi, would go exclusively to Punjab on June 21.

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TREATY: *U.S. Appeals*

(Continued from Page 1)

of U.S. concern about terrorism and she stepped up her efforts after Britain allowed U.S. planes based in Britain to be used in the bombing raid on Libya on April 15.

In a personal message, Mr. Reagan urged the Senate not to offend the British prime minister, who was one of the few European leaders to support the Libyan bombing. The administration has defended the raids as necessary retaliation for Colonel Moamer Qadhafi's support for terrorism.

Mr. Reagan said: "Any rejection of this treaty would be an affront to British Prime Minister Margaret Thatcher, one European leader who at great political risk stood shoulder-to-shoulder with us during our operations against Qadhafi's terrorism."

Supporters on the Senate Foreign Relations Committee are hoping to get the measure to the floor this week. In the past, they have been stymied by two factions opposing the revisions on different grounds.

Mr. Reagan addressed his remarks to both sides in saying that the treaty, if ratified, "would prevent terrorists who have kidnapped, killed or maimed people in Britain from finding refuge in our country."

"Today these killers are able to do just that, by labeling their vile acts as 'political,' " he said.

"If the actions by a few senators allow terrorists to find safe haven in the United States," he said, "then there would be irreparable damage."

Mr. Reagan referred to an amendment that had been offered by Senator Claiborne Pell, a Democrat of Rhode Island, that would allow the extradition of fugitives involved in civilian attacks but maintain the exemption for those involved in military attacks against targets in uniforms.

"Some members of the Foreign Relations Committee," Mr. Reagan said, "have gone so far as to prepare a substitute treaty permitting those who have murdered British policemen and soldiers for so-called political reasons to avoid extradition."

"This substitute is not a compromise," he said, "it's a retreat. Its passage would be a victory for terrorism and a defeat for all we've been trying to do to stop this evil."

Mr. Reagan also addressed a concern that the revisions could establish a precedent to force the extradition of fugitives from Communist regimes.

"One concern," he said, "about the treaty is that it may set a precedent for other treaties which will then be used against those who simply oppose totalitarian regimes. We can never permit that to happen."

5 Sikhs Held In Montreal; Plot to Bomb Jet Reported

The Associated Press

MONTREAL — Five Sikhs have been arrested and charged with plotting a bombing attack. Press reports, quoting police sources, said the group had planned to blow up an Air-India jumbo jet on a flight Saturday from New York to New Delhi.

"It appears that it has to do with a plane," Crown Prosecutor Pierre Garon said after the five were arraigned Saturday. He refused to elaborate.

The prosecution said the crimes occurred in the period April 4 to Friday, but provided no further details during the arraignment.

The Toronto Globe and Mail quoted police sources as saying the charges were in connection with a alleged plot by a group of Sikh extremists to blow up an Air-India Boeing 747 flying out of New York.

The five were arrested Friday after a series of searches in the Montreal area, said John Bentham, the Royal Canadian Mounted Police superintendent in Ottawa.

In New Delhi, the United News of India press service quoted official reports as saying that police had been tipped off Thursday that a jet flying to New Delhi was to be attacked Saturday.

The press service said the five suspects were believed to be members of the Sikh Babbar Khalsa organization, a radical underground group in Canada.

Police at John F. Kennedy International Airport, which serves New York, and Air-India officials there went on a full security alert, a Port Authority spokesman said. The spokesman declined to discuss the reason for the alert.

During the arraignment, police with weapons drawn ringed the prisoners' box at the Quebec Sessions Court and guarded the courtroom door as each of the five men entered no plea to the charges.

The five men requested a jury trial and were ordered held pending a bail hearing Wednesday.

Each suspect was charged with conspiracy to possess or fabricate explosives, which carries a maximum prison term of five years, and with conspiracy to possess or fabricate explosives with intent to injure, which carries a maximum term of 14 years.

Sunday marked the start of what militant Sikhs are calling genocide week, commemorating the second anniversary of the storming by the Indian Army of the Sikhs' holiest shrine, the Golden Temple in Amritsar in Punjab state.

At least 600 people were killed in the attack on the temple June 5 to 7, 1984.

Pauline Vincent, press secretary to Solicitor General Perrin Beatty, said in Ottawa that eight arrest warrants had been issued. She declined to elaborate.

Mr. Bentham, the Mountie official, denied news reports that the arrests were linked with the crash of an Air-India jetliner off the coast of Ireland on June 23.

No one survived among the 329 passengers aboard that flight. A judicial panel in India concluded in March that the crash had been caused by a bomb.

Donald Till Dies; Executive at Post

Washington Post Service

WASHINGTON — Donald H. Till, director of communications for The Washington Post and a specialist in satellite and ground communications for newspapers and wire services, died Saturday, apparently of a heart attack, at his son's London home. He was 56.

Mr. Till, who was also communications vice president of the Los Angeles Times-Washington Post News Service, collapsed while he and his wife, Isobel, were attending a birthday party for their oldest son, Phillip, a European radio correspondent for NBC News.

A native of England, Mr. Till was a communications manager for United Press International in Europe and New York before resigning in 1975 to join Extel Corp. in Chicago. He joined The Washington Post and the Times-Post news service in Washington in 1977.

The International Herald Tribune. Bringing the World's Most Important News to the World's Most Important Audience.

Yosef Harish

ISRAEL: *Official Replaced*

(Continued from Page 1)

to make public comments on the Shin Bet affair.

The prime minister and several other ministers were known to favor not turning the case over to the national police but instead giving it to a special judicial commission of inquiry, which would hold secret hearings and keep the testimony secret.

Under a judicial inquiry, Mr. Shalom and his aides would not have to be suspended, as they would in a police inquiry.

Mr. Peres has rejected calls to end the dispute by suspending Mr. Shalom, saying such a move would weaken the security services by tainting its chief without giving him an opportunity to defend himself.

Mr. Beilin said that if the government decided on a judicial inquiry, it would be with the approval of the new attorney general, even though that was not legally required.

His remarks appeared to suggest that the cabinet was anticipating taking the case out of the hands of the police and — with Mr. Harish's approval — giving it to a judicial panel that would conduct its inquiry in secret and not require that Mr. Shalom be suspended.

The cabinet minister most critical of the government's handling of the case until now, Communications Minister Amnon Rubenstein, of the Shinui Party, said in an interview later that he was satisfied with the appointment of Mr. Harish.

Mr. Zamir, who was attorney general for seven years, said he was not upset by the timing of the replacement appointment. "No, personally I'm very relieved," he remarked. "I've had enough trouble."

ARMS: *Soviet Offer on Cut*

(Continued from Page 1)

States might seek to amend or back out of the accord as SDI research advances. Moreover, Pentagon officials have argued that the treaty should be more loosely interpreted than in the past.

■ **Soviet Warning**

Gary Lee of The Washington Post reported from Moscow:

In its sharply worded statement Saturday, the Soviet Union said that as soon as the United States exceeds "established levels of arms or otherwise violates the other main provisions" of SALT-2 or the 1973 SALT-1 accord, Moscow "will consider itself free from the relevant commitments under the treaty."

The statement, released by the news agency Tass, was the first official response to Mr. Reagan's suggestion that the United States is not obliged to abide by SALT-2 limits because of alleged Soviet violations of the treaty.

Mr. Reagan, citing "a general pattern of Soviet noncompliance," said Tuesday that the SALT-2 treaty would not dictate the structure of U.S. nuclear forces.

The Soviet government denied Saturday that it had violated the agreement, saying that "such assertions are unfounded from beginning to end."

It said that if the United States went beyond the limits set in SALT-2, Moscow would take "the necessary practical steps to prevent the military-strategic parity from being upset."

The treaty, which was signed in 1979 by the United States and the Soviet Union but was not ratified by the U.S. Senate, limits the nuclear stockpiles on both sides.

Both sides have adhered to the treaty since its signing, although it expired Dec. 31.

The Soviet statement also charged the Reagan administration of taking an "unconstructive" stance on the issue of a proposed summit meeting between Mr. Reagan and Mikhail S. Gorbachev, the Soviet leader, and at the arms talks in Geneva.

Australian Alleges U.S. Plea on Barbie

Reuters

CANBERRA, Australia — The United States asked Australia in 1952 to consider resettling Klaus Barbie, the former Gestapo chief in the French city of Lyon, and Canberra agreed to consider the request, according to an opposition politician.

Peter Baume, leader of the Liberal Party in the Senate, also told the upper house Thursday that he had obtained documents showing that Britain asked Australia in 1948 to "go easy" on Nazi war criminals.

He said he had obtained the documents under Australia's Freedom of Information Act.

Mr. Barbie, who headed the Gestapo in Lyon from 1942 to 1944, is in prison in France awaiting trial for war crimes. He was expelled from Bolivia and brought to France in February 1983.

Mr. Baume presented a letter that he said was written in June 1952 by the Australian immigration attaché in Bonn to the U.S. Army. He said officials at the Australian Embassy in Washington found the letter in 1983 in an intelligence file.

Mr. Barbie was not named in the letter, but it was found in his file, Mr. Baume said. Australia's decision on whether to allow Mr. Barbie to settle there was not reflected in the documents.

Mr. Baume presented the documents during a debate in which he called for an inquiry into the entry of alleged Nazi war criminals and collaborators into Australia during the postwar surge in immigration from Europe.

He said that Britain's letter to Australia said that "in general, no fresh trials should be started after 31 August 1948."

The letter said the policy would affect war criminals who had not been captured and who might come into the custody of Britain or other Commonwealth countries.

"It is outrageous," Mr. Baume said, "that the British government should have sought to impose on Commonwealth countries in 1948 that they should cease any pursuit or prosecution of war criminals."

Mr. Baume said Australia had admitted some Nazi sympathizers into the country in the early 1950s. He described a member of his own party who was born in Yugoslavia, Lyenko Urbanchich, as a collaborator.

Similar accusations have been made in the past against Mr. Urbanchich and his party branch in Sydney. He has consistently denied the allegations.

HIGHWAY: *A Link of 2 Worlds*

(Continued from Page 1)

ries: porcelain, tea and silk outbound from China and dried fruits, blankets and herbal medicines inbound from Pakistan.

The opening of the highway to third-country traffic appears intended to carry a message to two neighboring nations, the Soviet Union and India. As it climbs to the pass at Khunjerab, which means "Valley of Blood," the highway skirts the eastern and southern flanks of the Wakhan Corridor of Afghanistan, occupied since 1979 by Soviet troops.

Yuan Jianmin, Tash Kurghan's foreign affairs director, said the Afghan conflict remained "a distant thing" for most local people, other than those who are barred from visiting Tadzhik relatives in Afghanistan along passes sealed by Soviet soldiers.

In Pakistan, officials are less relaxed. A few miles north of the Hunza Valley, where huge glaciers run down to valleys made soft by stands of poplars and apricot groves, Pakistani troops maintain vigil from mountain aeries that overlook the Wakhan.

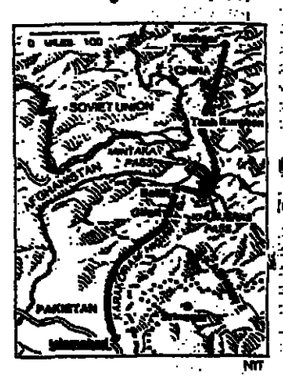
More than three million Afghan refugees have taken sanctuary farther west in the Northwest Frontier province of Pakistan, so any increase in fighting is carefully watched. South of the highway other troops stand guard over the control line established after Pakistan and India fought for possession of Kashmir in 1948.

Still more Pakistani soldiers are deployed with the frontier works organization, which labors round-the-clock to keep the highway clear of rock slides and avalanches. Although Chinese engineering battalions did much of the construction on the Pakistan side, they withdrew five years ago and left the maintenance to Pakistan.

With rock slides that can demolish bridges in an instant and leave nothing of the road for hundreds of yards, the maintenance work absorbs 10,000 Pakistani troops and an annual budget in the tens of millions of dollars.

In Marco Polo's time much of the passage lay along rocky river beds that travelers today glimpse from the highway hundreds of feet above.

Although the brigands who gave the Khunjerab its name have disappeared, crumbling road shoulders that have lost their protective con-



NYT

crete posts are a reminder of the disaster awaiting any vehicle struck by a collapsing tie-rod or a careering bus.

A Western group that made the journey by Jeep in early May met up along the way with a lone bicyclist, Mark Skinner, who so astonished Chinese border guards that they waived a rule forbidding private transport on the Chinese side. The sight of the 29-year-old English lawyer making no better than a walking pace through the sand and stones outside Tash Kurghan, where limpid green pasturelands stretch miles to the mountains, was enough to halt normal activity in a Chinese work camp nearby.

An Englishman pedaling his way to Beijing was one of many diverting experiences.

"America? Ree-gan!" exclaimed a weather-beaten Kirghiz herder, pausing by the roadside with his clan as they trucked from the mountains into Kashgar. Amid laughter, he cast around for other nationalities. "England? Ta-cher!" he added, his dark eyes sparkling. Next he proffered a mug of steaming black tea, wiping the brim with the hem of his dusty calf-length coat. He was still chuckling as the Jeeps pulled away.

The human pleasures are complemented by the ice-green beauty of the Pamir, Karakoram and Himalaya mountain ranges that flank the highway, whose peaks — many above 25,000 feet — provide a soaring counterpoint to the chasms lining the road.

Accidents are common, but it would be an immodest Jeep traveler who would compare his anxieties to the hazards faced by early pioneers.

Ex-Aide Challenges Arafat Leadership

AMMAN, Jordan (AP) — A former intelligence chief for the Palestine Liberation Organization challenged Yasser Arafat on Sunday for leadership of el-Fatah, the largest guerrilla group in the PLO.

Atallah Atallah presided over a meeting of what he said was the general military command of Fatah. It voted to dismiss Mr. Arafat as commander in chief of the movement, accusing him and his supporters of corruption, and to replace Mr. Arafat with Mr. Atallah until a general congress of Fatah members could be held.

Minister Prays for Death Of U.S. Justice Brennan

United Press International

LOS ANGELES — A fundamentalist Baptist minister, the Reverend J. Richard Olivas, said Sunday that Justice William J. Brennan Jr., of the Supreme Court was a "baby killer" and exhorted his congregation to pray for the judge's death.

Justice Brennan, one of the seven justices who supported the 1973 Roe vs. Wade decision legalizing abortions, was to give a speech Sunday in Los Angeles.

DOONESBURY

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You will find below a listing of job positions published last Thursday under the rubric International Positions.

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ASSISTANT CONTROLLER		U.S. Firm manufacturing & distributing Industrial Products.
DIRECTOR	$43,461-$49,287 w.dep. $40,042-$45,283 without dependents	Int'l Financing Organization (United Nations).

If you haven't seen last week's **INTERNATIONAL POSITIONS** rubric, please ask for a free copy: Max Ferrero,
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(Continued From Back Page)

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Monday, June 2, 1986 International Herald Tribune Special News Report

Turkey: A Case of Growing Pains

IN THE NEWS

Dec. 1985: Accord On Human Rights

Five European countries reached a "friendly settlement" with Turkey on human rights conditions, thus removing a major obstacle to closer Turkish-European ties. The countries, France, the Netherlands, Sweden, Norway and Denmark, had lodged a complaint against Turkey with the European Human Rights Commission in 1982. The settlement follows agreement that Turkey will prepare periodic reports on progress in improving human rights.

Jan. 1986: Istanbul Bullish on Stocks

Istanbul's newly reactivated stock exchange was the cause of optimism as the year opened. The site of a busy exchange during the last century, Istanbul suffered from the fall of the Ottoman Empire, and the development of industry in the 1960s did not vitalize the exchange, although one existed on paper. Now, although shares of many large companies are not listed, Muharrem Karsli, the exchange chief, is optimistic. "The Indonesian stock exchanged started with only one share," he said.

March 1986: Action For Cyprus Accord

United Nations Secretary-General Javier Pérez de Cuéllar conveyed new proposals on Cyprus to Greek and Turkish Cypriot leaders. The Soviet Union again proposed an international conference to resolve differences. Greece and Greek Cypriots favor the idea, but Turkey, Turkish Cypriots and some Western allies are against internationalizing the issues.

April 1986: In Ankara, A Libyan Connection

Two Libyans were caught in Ankara with grenades near the U.S. Officers Mess just days after U.S. planes bombed targets in Libya. The incidents presented Turkey with a diplomatic dilemma. Although a NATO member and U.S. ally, it could not openly support the U.S. raid. It has strong economic ties with Libya, where more than 35,000 Turks work, and is a Moslem country with close Arab ties.

Economic Challenges

Inflation Hangs Over Ozal's Ambitious Policy

Few Turks want a situation that would give power back to the army.

By Julian Nundy

ANKARA — Prime Minister Turgut Ozal has reached the midway point of his five-year term with a string of economic successes to his credit. But one dark cloud still hangs over his policies — inflation. Since being elected prime minister in 1983, when the armed forces, which had taken power in a 1980 coup, allowed elections, Mr. Ozal has won considerable praise from economists at home and abroad for his efforts to put Turkey back on its feet.

He has done this by opening up the economy to imports, forcing Turkish companies to compete or die in a free-market economy. Turkish companies rose to the challenge and exports started to grow dramatically. Stores that were remarkable only for their drabness at the end of the 1970s filled with all kinds of consumer goods.

Apart from moves to stimulate the economy or austerity measures to keep costs down, Mr. Ozal's policies have also contained imaginative innovations.

One of these is to turn Turks, in the words of a top Ozal adviser, into "voluntary tax inspectors."

Among Mr. Ozal's measures has been the introduction of a 10-percent value-added tax.

But he was mindful of the difficulties that other countries, such as Italy, have faced when traders often simply do not charge the tax, selling goods or services tax-free.

In Turkey, however, low wage-earners get a partial rebate of these taxes from the government, provided they produce the receipts to prove the payment of the tax, cutting down the possibilities for fraud.

With urgent infrastructure needs, the government has also embarked on housing and road-building programs both to improve living standards and to help offset unemployment, estimated by independent economists to be around 14 percent to 16 percent.

To pay for social housing programs, the government has put a surcharge on imported luxury goods, generating an estimated $1 billion a year.

In 1986, officials say that 150,000 housing units will be built. The units are planned as part of new satellite cities that will also have office buildings, shopping malls, schools, clinics and sports facilities.

But the average Turk, even if he is on the poverty line, hankers after spacious, large houses that are no longer feasible in a country of 52 million, with a population growth rate of around 2.5 percent a year.

So, to encourage the families that qualify to accept smaller housing, the government offers loans to buy furniture to those that accept accommodation totaling less than 60 square meters (645 square feet). "That way, we can build twice the houses," an official at the prime minister's office said.

Officials say that a $1.6-billion project to build 600 miles (1,000 kilometers) of expressway by 1988 is well advanced. They estimate that tolls on the highway will reimburse the cost of the construction within five to six years.

Another project to improve the country's infrastructure has been dubbed "build, own and operate" by Mr. Ozal.

Under this plan, the Turkish government offers contracts to foreign companies to build installations such as power stations. Once built, the constructor operates the plants and sells the electricity to the government. The government makes only one commitment, to buy the power, while the builder takes on the investment and the risk. Mr. Ozal said that, so far, one Swiss company has agreed to build a thermal power plant near Istanbul under this policy.

As for agriculture, the government has started a seed improvement program to boost crop yields.

Officials said the program has been accepted by about 20 percent of the farmers involved, but another 10 percent were expected to follow this year.

Another ambitious plan is to increase the number of Turkey's television channels from the current one to six by 1988, the year that Mr. Ozal has to call a general election.

According to one of Mr. Ozal's advisers, three of these channels would be used for educational purposes. One would be aimed at small children, the second at high school and technical school students. The official said that the project will be far cheaper than the teacher improvement programs that would otherwise be necessary.

The third educational channel, meanwhile, would carry details of new techniques in medicine and engineering to keep specialists in rural areas up-to-date on developments in their field.

The proliferation of television channels would also provide the government with a cheap means of promoting social programs, such as a current campaign to improve hygiene and explain birth control.

But, while such programs should create employment and raise living standards, the specter of inflation, found by a recent opinion poll to be the Turks' major concern, dominates the economic scene.

Mr. Ozal himself said that inflation for the 12 months ending April of this year was around 29 percent compared with a rate of 37 to 38 percent in 1985, which itself was an improvement on the 50 percent of the previous year.

He said that he expected to bring the rate for 1986 down below the target of 25 percent, the same target he had set for 1985. However, bankers in Istanbul said that their calculations showed a current rate of between 35 and 40 percent, with few prospects for a significant drop.

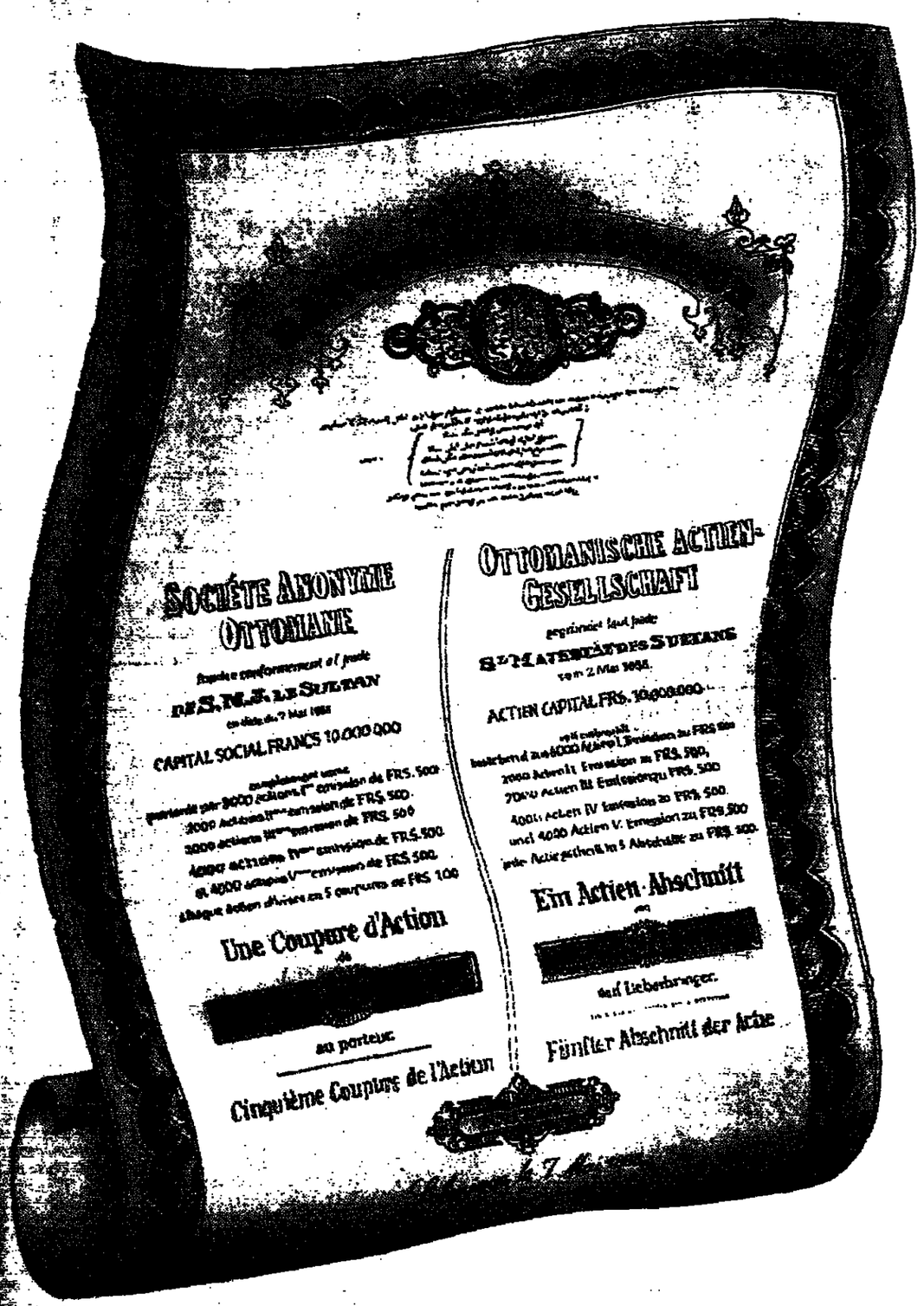
The bankers said that the effects of lower oil prices would probably not be felt by the Turkish economy until the last quarter of this year since much of Turkey's imports so far have been covered by earlier contracts with its two oil-producing neighbors, Iran and Iraq. The government has also said that it will not reduce the cost of oil to the consumer.

Mr. Ozal's austerity policies, which have kept wage increases below the inflation rate, have eroded many lower- and middle-income Turks' purchasing power at a time

Continued on Page 8

Gamma

A Turkish family, above, finds a practical solution to the problem of social mobility. An interview with Prime Minister Turgut Ozal, right, covering Turkey's democratization process and relations with the European Community, is on the next page.



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INTERVIEW

Ozal Sees Progress on EC, Democracy

In a recent interview with the International Herald Tribune, Prime Minister Turgut Ozal spoke on a range of issues with Julian Nundy of the IHT and Mustafa R. Gursel, a Turkish correspondent who helped coordinate this special report. The following are excerpts from that interview:

• • •

What sort of timetable do you think you will make up for an application for full membership in the EC?

OZAL: I think what is mostly important is how long it will take Turkey to be a member of the Common Market. Whether we apply right now or whether we apply one year later is not very important. What should be seen is the Turkish aim to become a member of the Common Market. It is true that our relations up to now have somewhat been on the freeze. Now it is becoming better and better. We will see after the meeting of the Association Council.

• • •

There are signs that Europe has accepted that Turkey has made progress toward democracy. What do you feel still needs to be done? Do you think the European complaints are justified say, for example, concerning trade unions, freedom or democratization of Turkish society?

OZAL: I do not think that it is justified because most of the complaints are not coming from the real lovers of democracy. It is coming mostly from the extreme groups who are supported by our extremists. I should say very extreme Socialists or extreme leftist groups.

I will say that today in Turkey we have a parliament, an elected parliament. We have political parties, at least nine and increasing every day. We have a free press. They criticize me very freely and very harshly.

And the judicial system is free, it is not controlled by the executive power. Sometimes Europeans come and ask us to free certain people who are serving prison sentences. I have no authority over the courts, they are independent.

There are trade unions, strike and lockout possibilities. There have been some strikes already during the last two years. And even though a general strike is forbidden by law, they talk about a general strike.

I think all these basic points show that there is democracy in this country, and a democracy which is very similar to the democracy in the European system.

• • •

With over 50 million population and a 2.5 percent birth rate in Turkey, do you think there may be other unexpressed worries about Turkey's becoming a full member?

Prime Minister Turgut Ozal

OZAL: I cannot talk for Europeans, but there may be certain things they are afraid of. The Common Market started with six countries then extended to 10 and now to 12. Especially with the entry of Spain and Portugal, conditions from the point of view of the Common Agricultural Policy have changed. With the enlargement of the Common Market, the problems have also enlarged at the same time. Some say that it was easier to manage the Common Market when there were only six members. As they have increased in numbers, they probably need some new formulas, maybe some changes.

When you compare Turkey with the newcomers, one might say that with a population of 52 million and a birth rate of 2.3, 2.4 percent, a young Turkish population might flood the whole of Europe. This is a pessimistic view of the story. One has to look at the other side of the system.

Turkey today from the point of industrial development or competitiveness of her industry is better than Spain and Portugal. Our industry has been based on a free market system during the last six years. The Turkish economy right now is liberalized. There are all possibilities of imports into Turkey. Turkish products can easily compete everywhere. And we have very little subsidy compared to Europeans. That shows very clearly that competitiveness exists.

A recent study shows that 75 percent of Turkish industry is competitive by Common Market standards. Only 25 percent will require some adjustment period. I do not think you will find the same situation in Spain. This is the result of the policies we have followed in recent years.

Whether we will become a member of the Common Market or not, the road we are following is getting Turkey closer to the Common Market.

We should also remember that Turkey is a bridge between the East and the West and has quite a big influence on countries to our south — Arabic and Islamic countries mainly.

Let me point out that no more than five years from now, oil and gas will be as important as before for all of Europe. And in the coming 10 years, although I do not know what will happen in Europe or Germany, I can say that they will require more workers because population is decreasing.

What will the situation be at the end of the century? I do not think automation will reach far. Many jobs will still be undertaken by workers.

But at the turn of the century, we probably will not have many people to send abroad. It is a very rapidly developing country. Even in this condition, our growth rate in recent years has been 5 to 6 percent. This year, I assume it will be more than 5 percent.

• • •

You have been very low-key since you became prime minister about problems with Greece. You mentioned you would be open to negotiations. Suddenly this month you said that your "patience is running out."

OZAL: Sometimes this is necessary. The Cyprus problem came up with the new proposals of the secretary-general of the United Nations. They started talking against Turkey. Mr. Papandreou [Andreas Papandreou, the Greek prime minister] in a speech said that he would never permit the change of the Greek character of Cyprus.

I had to answer that. I said that the island had never been Greek in its history. It belonged to the Venetians and then was taken over by the Ottomans. Later the British rule came.

I believe it was first during the Ottoman period and later under the British rule that the Greeks immigrated to the island. And I said, if you want to call the island something, it is more Turkish than Greek. It was governed for many hundreds of years by the Ottomans.

On the other hand, they have always used Cyprus as a case against Turkey. They never wanted to reach a decent agreement in Cyprus. The only decent solution for the island is for both states to be accepted as politically equal partners. If you call one state the sole owner of the island and the other side rebels, there is no possibility for an agreement.

Greeks have the upper hand. They have been recognized as the sole representative of the island and the northern part is called the rebels.

There have been two occasions. The first proposals of 1985 were accepted by Denktash [Rauf Denktash, the Turkish Cypriot leader] and refused by the Greeks and now it is the same. They will never accept unless you say that everything belongs to the Greek side.

• • •

You mentioned that you were upset with constant Greek efforts to undertake anti-Turkish propaganda in different international forums. What do you intend to do?

OZAL: I think that in all these forums, whether it is a Common Market forum or elsewhere, the other countries are not going to completely decide with Greece. They will know exactly what is good and what is bad and who is right and who is wrong.

On the other hand, do not forget that Turkey with a population of 52 million has a stronger defense capability for NATO at the southern end. Turkey is a key element in this part of the world. Greece only has 10 million population.

We also have quite a big number of friends in the Islamic group of countries. I think this also has to be weighed. But in spite of these differences, I have tried very hard to sit down to talk of our problems. I proposed to Papandreou that we should start talking.

I said, "Maybe we will not reach an agreement, it is not easy but let us start to talk." We can talk on less difficult subjects like tourism or trade. And this way maybe we can make some headway and then maybe if we gain confidence we will be able to solve other problems.

I saw him in Davos. I have pictures of myself with him, but that's all I have.

Main Points Of the Interview

- **EC: The road Turkey is following is getting it closer to the Common Market.**
- **Rights: There is a democracy in Turkey very similar to the one in Europe.**
- **Cyprus: The only decent solution is for both states to be political equals.**
- **Greece: Athens and Ankara should sit down and start discussing their problems.**

Minarets in Istanbul

Inflation Threatens Ambitious Policies

Continued from Page 7

when businessmen are profiting from the increase in commerce.

But foreign diplomats and Turks themselves say they think there is little likelihood, despite the growing frustration at falling income, of protests or agitation against these policies.

The years of military rule and martial law have removed most peoples' desires to get involved in controversial forms of political activity, they say.

And few Turks would want a situation that would give the military, whose right to intervene to defend Turkish democracy is written into the 1982 constitution, the pretext to take power again. Apart from 1980, the armed forces intervened in Turkey's political life in 1960 and 1971.

While most Turks express their approval of the bulk of Mr. Ozal's economic policies, many intellectuals are still disturbed by what they see as restrictions on human rights.

Some trials of defendants accused of having "communist" intentions, but not charged with a specific crime, that started under military rule are still continuing although in many cases the defendants are at liberty.

People applying for work at state enterprises have to undergo a security clearance which can last for months. When candidates are refused, they are not given a reason. Passports to travel abroad are also withheld, without any stated reason, from the families of persons accused of leftist associations in the past.

As leftists still feel under pressure from the state, they say that they have noticed an increase in Moslem fundamentalist activities that are apparently tolerated.

While these activities, particularly noticeable in the universities, have not reached a scale that could be called alarming, some Turks feel that the government is being too tolerant toward a phenomenon that could cause friction in the future.

An adviser to the prime minister, who is himself a religious Moslem although the state is strictly secular, described the rise in fundamentalism as an "identity crisis of youth, the early pains of urbanization."

He added: "How can you control such things? If you use the police, you will increase the fanaticism. You cannot suppress beliefs with force."

The same adviser described Mr. Ozal as being "like a Buddhist monk, preaching nonviolence. We have to change the Turkish political character, get them to be tolerant of opinions they hate. We have a lot of head-banging to do. It's not just a question of having a democratic constitution and laws."

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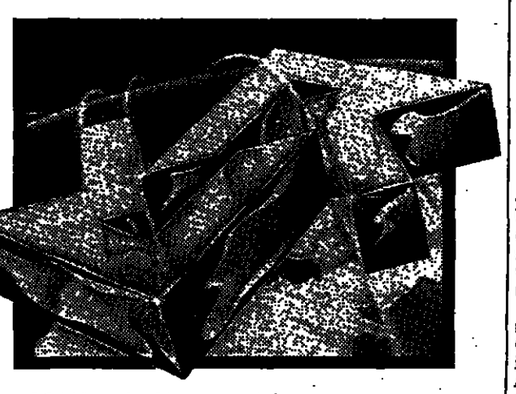

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Development

Foreign Firms Hesitant Over Investments

By Ann Taboroff

ANKARA — "It's a misconception" that foreign investors are rushing into Turkey, an Istanbul banker said. In spite of a package of incentives offered by the government, "Foreign companies are still waiting to see if Turkey is on the right track," he said.

The question of how the government of Prime Minister Turgut Ozal will fare in the 1988 elections is uppermost in everyone's mind. Although some believe that the importance of foreign investment has become an accepted fact, others voice doubts about the longevity of the current pro-foreign investment policy.

"This is a unique period for Turkey, even an aberration," a top-level Turkish executive said. "In perspective, it is very short. We have to prove the continuity of the measures we've adopted."

The Foreign Investment Department of the State Planning Organization, which is empowered to approve projects of up to $50 million on its own, provides smooth, fast and professional support to foreign investors and their local partners. The package of incentives and guarantees further eases the entry of foreign capital and new decrees on foreign exchange regulations and property ownership have largely put to rest concerns about the transferability of profits and assets.

Namik Kemal Kilic, the head of the Foreign Investment Department, claims with much justification that "Turkey has put its house in order." Perhaps because of this, there is a certain amount of impatience on the Turkish side that more fresh foreign investment has not flowed into the country.

But besides the political question, inflation remains a major problem. "It's keeping investors away," a lawyer, Ahmet Tekeli, said. Cuneyt Okan of the Zihni Group remarked, "You can't base foreign investment on continued devaluation."

The fact is, foreign investment is coming to Turkey, but slowly, and in a definite pattern. First came the financial services. With a low capital outlay and a short payback period, it was relatively easy for banks to move in.

Next came international advertising agencies, eager to service their clients as they moved into the Turkish market. Within the last year, J. Walter Thompson, McCann Erickson, and Foote, Cone and Belding have bought into Turkish agencies.

Lastly, come the manufacturing companies. "It's a lengthy multi-faceted process," Atilla Uras of

> "This is a unique period for Turkey, an aberration."

Manufacturers Hanover Trust said. "There are zillions of questions you have to answer."

The entry of foreign manufacturers into the domestic market is creating some tension, however. "The domestic market is the driving force," Mr. Kilic said. "The idea of foreign investment for exporting is a legend," Osman Kavala, head of the Kavala Group, said.

But Fahir Ilkel, managing director of the Koc Group, feels strongly that foreign investments should back exports. "It's better to get on the side of the market that's growing the fastest," he remarked, adding that "there is a shortage of nothing in Turkey now. Local competition is quite harsh."

So far, however, consumers are lining up to buy foreign brand names. In the garment industry, the surge of interest is "like a gold rush," according to Cem Boyner, president of the Altinyildiz Group, a leader in quality textiles and fashion retailing. "Foreign companies are coming because Turkey is the last, last place in the world they're not selling."

The success of Benetton, which opened 13 shops this year in a license agreement with Altinyildiz, has others beating down the doors. "It's contagious," Mr. Boyner said, adding, "When they

Cont'd on Page 11

Problematic Foreign Policies

For Ankara, Athens Is Chief Obstacle to Better European, U.S. Ties

The two NATO neighbors are at odds over the Cyprus problem.

By Julian Nundy

ANKARA — The standard cliché that is used to define Turkey's international role describes the country as a bridge between East and West. Yet, while Turks are overwhelmingly Moslem, sharing the customs and traditions of their southern and eastern Arab and Iranian neighbors, the government of Prime Minister Turgut Ozal makes it plain that it considers Turkey's political future to be firmly in the West.

One of the North Atlantic Treaty Organization's front-line states, Turkey has a mind-boggling array of frontiers with Greece, Bulgaria, the Soviet Union, Iran, Iraq and Syria.

In recent years, it has developed its trade relations with the Arab countries and Iran, supplying both the protagonists in the Gulf War with much of their food and other basic needs. Turkish officials say that 40 percent of their exports will go to Middle Eastern countries this year.

However, the officials say that this has not encouraged Ankara to develop a more high-profile political role in the area. Diplomatic sources say that the United States has encouraged Turkey, as the only Moslem NATO member, to do so.

Instead, the Turkish government intends to apply for full European Community membership. Turkish officials refuse to say when Ankara will file a formal application, but European diplomats in Turkey say that they expect it to be forthcoming before the next parliamentary elections, which are due in 1988.

With Turkey's multitude of economic problems, the prospects for the start of any EC entry negotiations appear remote. For Turkey, the main problem on its road to unity with Europe at the moment is Greece.

The two NATO neighbors are at odds over a solution to the Cyprus problem and control of the Aegean continental shelf and of the airspace between them. Greece has declared that its main military threat comes from Turkey and not from the Soviet bloc.

Since Mr. Ozal became prime minister in 1983, Turkey has offered talks on these problems, but the offer has repeatedly been rejected by Prime Minister Andreas Papandreou of Greece.

JULIAN NUNDY is on the staff of the International Herald Tribune.

The two men met at an economic seminar in Davos, Switzerland, earlier this year but did not hold talks. "I saw him in Davos," Mr. Ozal said. "I have pictures of myself with him, but that's all I have."

Western diplomats based in Turkey acknowledge that Greece has legitimate claims, particularly over a 1964 law which discriminates against people of Greek origin owning property in Turkey. However, they are united in their criticism of Athens's consistent rejection of dialogue.

In a speech in early May, Mr. Ozal indicated that Turkey was not prepared to continue offering negotiations and said that his patience had its limits.

"He has come to the conclusion that Papandreou is implacably hostile and is opposing Turkey's interests everywhere," one Western envoy said.

Mr. Papandreou "tries to convince everyone that Turkey really is a threat," Foreign Minister Vahit Halefoglu of Turkey said in an interview with the International Herald Tribune. "But there are signs that Western public opinion and governments are fed up with this accusation, which has no real basis."

The main international problem between the two countries is Cyprus, where Turkish Cypriots declared an independent state in the north of the island in 1983. The island has been divided since 1974, when Turkish troops invaded Cyprus during a coup attempt against Archbishop Makarios, the island's Greek Cypriot president. The coup was aimed at uniting the island with Greece and its failure caused the military rulers who then governed Greece to return power to civilian politicians.

Over the past 18 months, the United Nations' secretary-general, Javier Pérez de Cuéllar, has produced two draft accords that would establish a bizonal federal state on Cyprus. Each has been accepted by the Turkish Cypriot leader, Rauf Denktash, but rejected by President Spyros Kyprianou for the Greek Cypriots.

Mr. Kyprianou made frequent visits to Athens during the preparation of both drafts, which were presented in January 1985 and last month.

"Mr. Papandreou doesn't want to solve the problem," Mr. Halefoglu said. "He wants to use Cyprus in international fora against Turkey. In the U.S. Congress, he makes the Greek lobby work to treat Turkey as the invader."

The Greek Cypriots, the Turkish foreign minister said, "don't want to solve the problem because they are considered the only legitimate power in Cyprus, receiving all the aid and assistance. They don't want to share prosperity, aid and political power."

As a preliminary step toward EC membership, Turkey has had an association agreement with the community since 1963, governing its trade ties with Western Europe. This accord was frozen by the EC after the 1980 military coup. The EC is trying to reactivate it by the end of this year.

European diplomats say Greece has tried to prevent the resumption of normal EC-Turkish ties but, one said, "other EC members will not espouse all Greece's problems with Turkey."

Once the agreement does come back into force, then Turkey can start its moves toward full membership. In the past, as new members have joined the EC, entry negotiations have taken several years and then been followed by transition periods over a number of years.

Mr. Halefoglu dismissed the idea that Turkey would become impatient with such a schedule. "You get engaged first," he said, "then you get married. Sometimes, engagements last longer than they should."

The other major area where Turkey puts the blame on Greece for many of its problems is its relationship with the United States, a relationship that is vital to the Turkish armed forces.

Since the 1974 division of Cyprus, supporters of Greece in Congress have imposed a "seven-to-10 ratio" on military aid to Greece and Turkey.

This means that Greece, with 10 million inhabitants, has to receive $7 in military aid for every $10 that goes to Turkey, with its 52 million people.

In 1980, the two countries signed a five-year defense and economic accord that they are currently renegotiating. NATO sources said that $974 million was expected to be paid to Turkey in fiscal 1987 under current provisions. This puts Turkey third after Israel and Egypt as a recipient of U.S. military aid.

Much of the aid is earmarked for modernizing Turkey's forces, whose equipment is often seriously outdated and inadequate to deal with any conflict with the Warsaw Pact.

Mr. Halefoglu said that Turkey had told the United States that the accord needed a "few corrections." He complained of negotiating delays caused by Greek and Armenian opposition to Turkey reflected in Congress.

"We need to set this accord on a more solid base, like a pyramid," he said. "We need to clean it of alien elements like the Armenian question, the seven-to-10 ratio and the Cyprus problem, problems that affect our relations all the year round."

Turkey's armed forces have a staggeringly high manpower of 800,000. West Germany's Bundeswehr, considered NATO's most powerful mechanized force, has 550,000 people under arms in a country with a similar population to Turkey's but with 12 times the gross national product, diplomats say.

The major difference is in the quality of equipment. Many of Turkey's 4,000 tanks were built in the 1950s. One major feature of the U.S. aid program is that it provides conversion kits for 3,000 of these tanks, at a cost of $300,000 to $400,000 per tank.

Western diplomats praise Turkey's role within NATO, but say that U.S. military aid is about as high as it can get.

One diplomat said the Pentagon's efforts for Turkey in Congress were "like pulling teeth," but successful. The Americans, he said, were "doing their bit. The Turks say that it is not enough and this is irritating the people in Congress who are reluctant to agree with the Turks' logic."

Another diplomat, a European ambassador, added: "This is a pity because Turkey is a very strong, committed ally, a much better ally than Greece."

Key Issues On Turkey's Negotiating Table

GREECE: The two NATO neighbors continue at odds over a resolution for the future of Cyprus, control of the Aegean continental shelf and airspace between the countries.

EUROPE: Reactivation of Turkey's association agreement with the European Community must precede the filing of a formal application for membership. The EC has begun trying to reinstate the association agreement.

UNITED STATES: Turkey complains that delays in renegotiating its five-year defense accord, which is considered vital to Turkish armed forces, are caused by Greek and Armenian opposition in the U.S.

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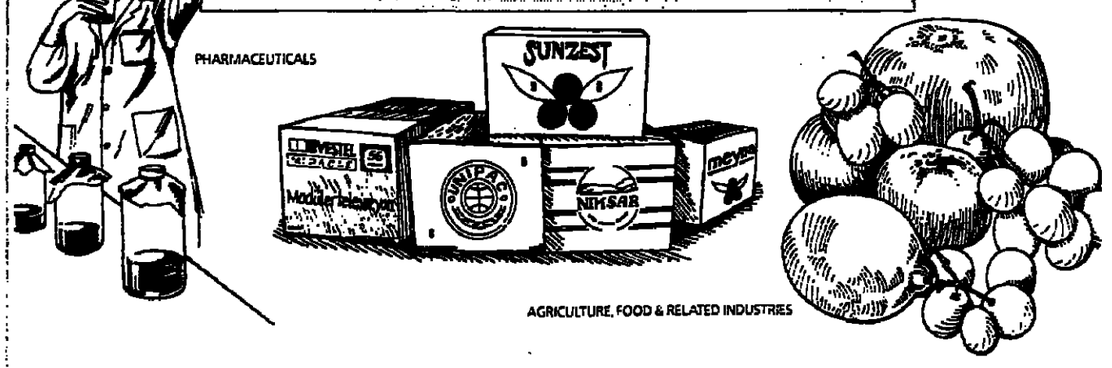

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The Politics of Democracy

At Mid-Term, Ozal Faces Array of New Parties, Weakening Support

Analysts see other conservative parties as a significant threat to Ozal since they could divide the vote.

A. Nun/Sipa

By Julian Nundy

ISTANBUL — When Turgut Ozal ran in parliamentary elections for the city of Izmir in 1977, he lost. It was, some Turks say, an example of how lucky the current prime minister has been over the past few years.

Because, had he taken a seat in the Grand National Assembly, Turkey's parliament, he would have been barred from political activity by the generals who took over the country in 1980. He would not have been able to participate in government after the coup nor to become prime minister when elections, limited to three parties that had the military's approval, were held in 1983.

Of those three parties, only the one founded by Mr. Ozal to contest the 1983 election, the center-right Motherland Party, is still intact.

Of the others, the rightist Nationalist Democracy Party dissolved itself in May as its parliamentary group was reduced by defectors who preferred to sit as independents.

And the Populist Party, representing the left in the national poll, has merged with the Social Democratic Party to form the Social Democrat Populist Party.

The next elections have to be held by 1988 and all established political parties will have the right to participate. As Mr. Ozal reaches the middle of his term, the situation is becoming far more complicated in party political terms than in 1983.

Now, a total of nine parties are vying for influence with an electorate whose support for Mr. Ozal is showing signs of waning.

Opinion polls are a new science in Turkey, having been used for the first time in 1983, and officials say their margin of error can be as high as 9 percent. Nevertheless, an aide to Mr. Ozal said they were accepted as a reasonable guide to political trends.

A poll published in mid-May gave Mr. Ozal's party 26.8 percent of the voting intentions, while a significantly higher 32.1 percent went to the Social Democrat Populist Party.

Of the smaller parties, only the True Path Party, founded by supporters of the former rightist prime minister, Suleyman Demirel, gained a significant show of support with 10.8 percent.

Meanwhile, those who said they were undecided accounted for a high 23.5 percent.

An adviser to Mr. Ozal said the undecided were those who had been hurt by austerity policies and the steady erosion of their incomes as the government failed to bring down the rate of inflation. But he said he was confident that, by 1988, there would be a significant rally to Mr. Ozal's camp.

He added that the creation of so many new parties would also work in the incumbent prime minister's favor. "The more parties there are, the more people from among the 'don't knows' will look for a guarantee," he said.

While the most obvious challenge to a second term for Mr. Ozal comes from the Social Democrats, political analysts see other conservative parties as a significant threat since they could divide the vote and bring down the Motherland Party. Under Turkey's 1982 constitution, coalitions are forbidden, so Mr. Ozal could not unite his party with others to retain power.

The True Path Party, backing Mr. Demirel, is currently the most likely to split the conservative vote. Mr. Demirel, barred from returning to political office like other pre-1980 politicians until 1992, recently toured the country making speeches in support of True Path and drew impressive crowds.

If Mr. Ozal were to lose the next elections, political analysts say they would expect Mr. Demirel's supporters to become Turkey's leading party on the right.

As for the Social Democrats, some political commentators predict that they will win enough seats in the 400-seat parliament simply because of the voters' desire to consolidate the changes since the military handed back government to the civilians.

The most common criticism of the Social Democrats, however, is that "they offer no coherent alternative policies," in the words of one West European diplomat.

This reflects a general approval of the results of Mr. Ozal's radical economic policies, one that has even hardened opponents at a loss to criticize the turnaround in Turkey's economic fortunes.

"It is really quite incredible," said one Istanbul intellectual, who spent more than three years in jail for political activities after the 1980 coup. "From the left through to the right, people are mainly in favor of Ozal's economic policies. It's unheard of."

But Mr. Ozal's detractors complain that not enough has been done to introduce true democracy into Turkey. They cite a ban on communist parties, restricted trade union activities and continuing trials of leftist intellectuals.

Sipa

Martial law, however, has been lifted in all but five of Turkey's 67 provinces. The five are in the southeast, where the government faces a Kurdish insurgency.

The Social Democrats, some say, might be willing to move faster toward a more complete democratization.

As for Mr. Ozal's Motherland Party, it does not claim any political descendency and has four distinct tendencies: nationalist, Moslem fundamentalist, liberal and social democratic.

If Mr. Ozal were to lose the next elections, analysts say the party would almost certainly break down into its various components, which could then be expected to link up with other parties or go it alone.

But many consider that Mr. Ozal is unlikely to be defeated.

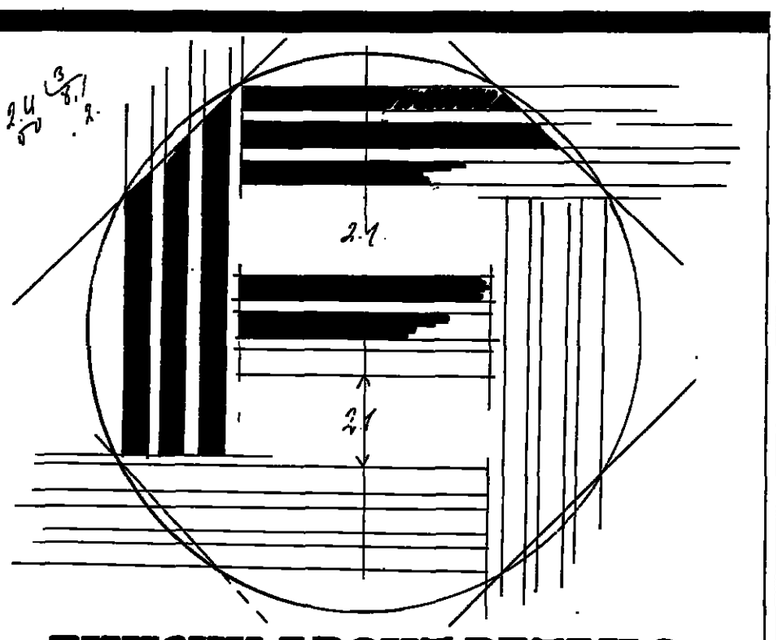
Since 1950, no incumbent Turkish government has been voted out of office. Only three military interventions, in 1960, 1971 and 1980, have brought about a change of regime.

While the Motherland Party has plainly dropped in popularity since it drew 40 percent of the votes in 1983, analysts put its current residual strength at around 30 percent, leaving it a strong contender for a second term. These same analysts attribute the drop in the polls to a mid-term dip in popularity common to governments everywhere.

"The party is on a good way to consolidating itself. Government has acted as a cement," one diplomat said. "Mr. Ozal has clear, concrete policies. And for the moment, the others don't."

Sipa

Suleyman Demirel, left, appearing last month at his first political rally since 1980. Above is Yildirim Avci, whose True Path Party is backing Mr. Demirel in the elections.



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Market Forces

Liberalization of Banks Suffers Setbacks

By Aydin Ulusan

ISTANBUL — The reliance on market forces to optimize the allocation of scarce resources was one of the cornerstones of the economic policy adopted by the government of Suleyman Demirel in January 1980.

However, given the special nature of the banking industry as custodian of the public's money and the vital importance of foreign exchange to the economy, there have been occasional setbacks during the transition to a sector with minimal government intervention.

The central bank's role in this process of liberalization has, of course, been significant.

Although the constant changes in rules and regulations are irritating and make planning difficult, it must be kept in mind that merely attempting to effect changes can lead to mistakes.

This would not be the case for a government trying to maintain the status quo.

The central bank was criticized recently for curtailing the freedom of banks to deal in foreign exchange. Before March 1986, banks were free to determine their foreign-exchange purchase and sales rates; now their rates are pegged to those announced by the central bank.

The purchase (or sales) rate cannot be more than 1 percent above the central bank rate, and the maximum spread between the two rates cannot exceed 2 percent. Interbank rates, however, can be freely determined.

The result of this retreat from relying on market forces to optimize the allocation of resources has been a non-functioning foreign-exchange market, due to artificial prices determined in Ankara, and the drying up of the interbank market.

The latter problem has been the banks' inability to reconcile buying foreign exchange in the interbank market with being obliged to sell to customers — importers — at a 3-percent to 4-percent loss.

Furthermore, the supply in the interbank market has been erratic since the reaping of large foreign-exchange profits in the past through the constant erosion of the lira reinforced the tendency of some banks to sit on sizable foreign-exchange positions.

This is unfortunate and unnecessary since Turkey does not face, by any means, a shortage of foreign exchange.

Old habits, however, are hard to break and it is not easy to reduce heavy overheads inherited from the past.

The oscillating trend of deregulation and the opening up of the banking sector to foreign banks has created a competitive atmosphere in which banking costs have grown while revenues have commensurately decreased.

As would be expected in the post-1980 banking system, specialized wholesale banks with small branch networks and higher efficiency have performed much better than the "big banks," which have been burdened by overbranching, overstaffing and inefficient traditional practices.

Furthermore, collecting cheap loanable funds from the public — the reason behind overbranching — has boomeranged and the public has to be paid real positive interest on its savings.

This role reversal between small and big banks has created problems of adjustment.

Thus one cannot blame the central bank, which must try to make the transition from "classical" to "modern" banking as smooth as possible, for all the problems.

The crucial point is that market forces are much more likely to resolve problems without creating new ones for the system.

But in the past six years, the system has undergone a metamorphosis.

If some banks are bidding up foreign-exchange prices, it need not mean a reduced supply of foreign exchange but an increased supply of Turkish lira. After all, prices can only be bid up if the money to pay for them exists.

A better method would be to reduce the supply of the lira, not to reintroduce regulation.

If some banks are withholding foreign exchange from the market in the hopes of windfall gains, it is because inflationary expectations in the past were fulfilled.

Reducing inflation rather than reintroducing regulation could result in foreign-exchange losses and prevent future risky exposure. The result would be a more active and economically efficient use of foreign exchange.

If some banks are "sailing too close to the wind," the solution is to monitor them closely rather than reintroduce regulation of the whole sector. The recent introduction of a central bank intermediated interbank lira market illustrates this point.

Historic rivalries among some banks and the competition between "big banks" and "small banks" has prevented the growth and proper functioning of interbank marketing in Turkey.

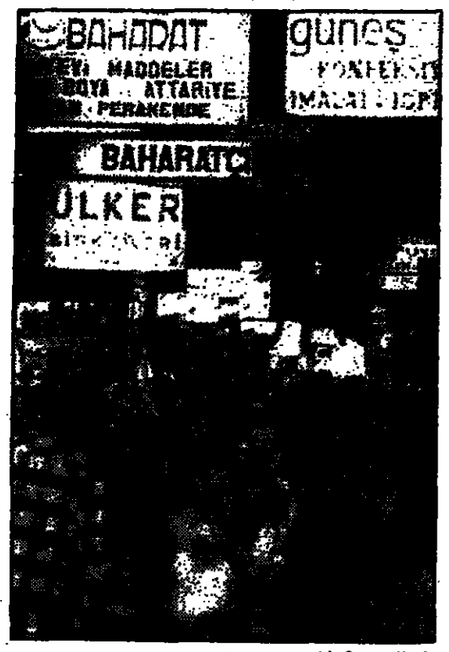
Realizing this, the central bank now acts as a clearing house for bids and offers where neither suppliers nor demanders are identified by name.

The result has been a functioning market with volume growing as more banks subscribe to the service.

The success of this undertaking is vital since it will hasten the formation of a foreign-exchange interbank market along similar lines.

In the past six years, the Turkish banking system has undergone a metamorphosis, resulting in better and cheaper services to customers and real positive interest for savers.

Although pressure from institutions wishing to return to the "good old days" exists, the success of the recent changes will ensure that the process of modernization reaches its goals.



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Measuring Economic Performance

Open Economy Shows Growth but Inequalities Increase as Well

This year's first-quarter results indicate that the government's 5% target for the growth rate can be realized.

By Burhan Senatalar

ISTANBUL — Any discussion of economic or political problems in Turkey today refers to two dates: Jan. 24 and Sept. 12. Radical changes in economic policy initiated on Jan. 24, 1980, and the military intervention on Sept. 12, 1980, have deeply influenced the path of the economy and the daily life of the people.

Where does the economy stand today?

Both supporters and opponents of the changes agree that the economy is much more open than in the past, and many businessmen say that the present policy has been more probusiness than any other in the past. However, criticism of the economic policy has increased sharply. Leaving aside the opposition parties, mainly the Social Democrat Populist Party, and the trade unions, even Suleyman Demirel, who was prime minister when the policy was introduced, has joined the critics.

What will be the economy's performance in 1986? The target growth rate of GNP was set at 5 percent. Following a 5.9-percent growth in 1984, the rate fell to 4.9 percent in 1985. The five-year development plan (1985-1989) had set 5.9 percent as the target for 1986, but recent experience has made a revision necessary. This year's first-quarter developments give the impression that the 5-percent target growth rate can be realized. However, this rate is low compared to the 7-percent average rate attained during the first three plan periods from 1963 to 1977.

Because of a sharp increase in population, the growth of per-capita GNP is slightly more than 2 percent. The annual population increase rate for 1980-1985 was estimated at 2.2 percent, but it turned out to be closer to 2.8 percent. (The total population of 1985 was projected as 49.8 million, but the census finding was 51.4 million).

Inflation continues to be a major problem. The inflation target rate for 1986 was set at 25 percent, but it most certainly will be surpassed. The targets for the past two years were 25 percent as well, but the actual figures were approximately double in both years. There are signs, however, that inflation is going down. The rate for the last 12 months (April 1985 to April 1986) was 35 percent and the increase in consumer prices for the first four months of 1986 was about 7 percent. Thus, the inflation rate for 1986 will probably be around 30 percent.

Two recent developments will help pull down inflation — the drastic fall in oil prices and changes in the tax system. So far, the government has chosen not to lower domestic oil prices, which means that it is reaping the benefits. However, even the fact that domestic prices of petroleum products are stable will decrease inflationary pressure.

Concerning taxes, despite several changes in the tax system since 1980, tax revenues have continued to be insufficient and deficit financing has been the major cause of high inflation. The level of tax revenue to GNP, which had been around 19 percent before 1980, fell to 13 percent in 1984. Changes in the tax laws in December 1985 are expected to increase tax revenue considerably and lessen the need for deficit financing. Figures for the first months of 1986 show that tax revenue has increased.

The direct impact of the fall in oil prices will be on the trade deficit. The export-oriented strategy has indeed increased exports considerably — from $2.9 billion in 1980 to $7.96 billion in 1985 — and the contribution of exports to GNP has climbed from 5 percent to 15 percent in the same period.

Nevertheless, the large trade deficit continues or, more precisely, it slightly increased from $3.5 billion in 1983 to $3.7 billion in 1985. The fall in oil prices is expected to bring a saving of about $1 billion on the import bill, but it will also have a negative impact on exports because of the drop in income in oil-exporting countries in the Middle East — Iran and Iraq together purchase one quarter of Turkish exports.

In the first two months of this year, exports increased 8 percent compared with the same period of 1985, but the increase in imports was 24 percent. Net tourism revenue and workers' remittances will help to alleviate the current-account deficit. On the other hand, debt repayment — $1.8 billion as interest plus $1.8 billion as principal in 1986 — will continue to put pressure on the balance of payments.

In spite of the increase in exports, foreign debt, too, has risen, from $13.6 billion at the end of 1979 to $25 billion in 1985. The portion of foreign debt repayment to GNP has climbed from 4.5 percent in 1982 to more than 7 percent in 1985. The share of short-term debt in total debt has more than doubled in three years, from 12 percent in 1982 to 26 percent in 1985.

From the beginning, the present policy has been inadequate in dealing with unemployment and income distribution. The rate of unemployment and the number of unemployed continued to rise in 1985. The State Planning Organization estimates the total number of jobless at three million (16.7 percent) for 1986.

Income distribution is still highly unequal. The last income distribution survey was carried out by the State Planning Organization for 1973 and showed that the lowest 40 percent of the population received 11.5 percent of total income, whereas the top 20 percent received 56.5 percent.

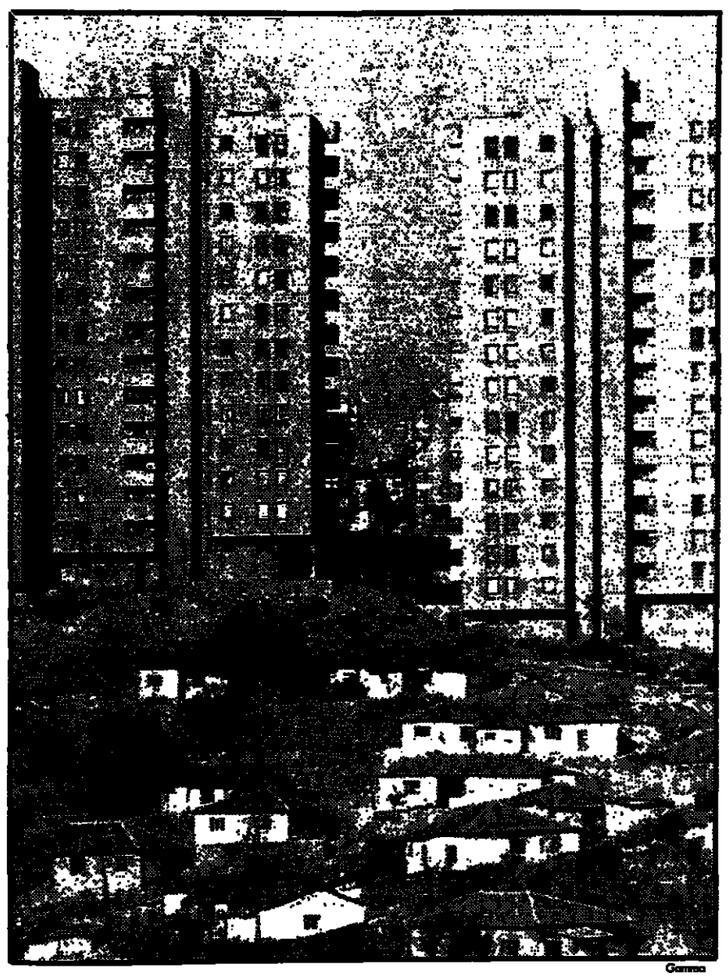
Experts agree that inequality has increased because of the economic crisis since 1977 and because of the economic policy introduced in 1980. A recent survey showed that between 1977 and 1984 "agricultural income" had fallen from 29 percent to 20 percent and "non-agricultural wages and salaries" from 37 percent to 22 percent, while "rent, interest, profit" had risen from 34 percent to 58 percent.

Although real wages and salaries have fallen sharply since 1977, workers and public servants are in a weakened position under the 1982 constitution.

The redistributive effect of taxes and government expenditures is, in general, negative. Extensive incentives for exports and investments aggravate inequalities. Under recent tax changes, earned income is taxed progressively beginning with a rate of 25 percent.

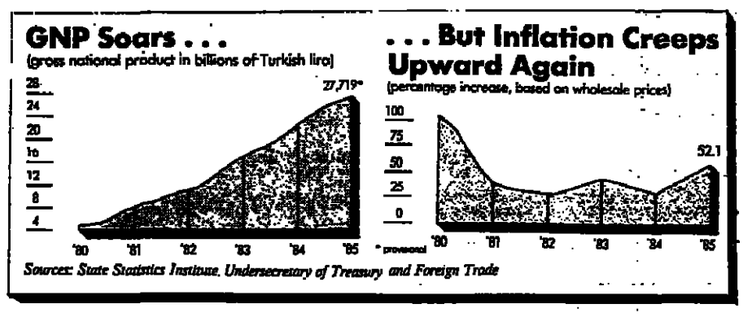
In short, decreasing real incomes and increasing inequalities have affected the lives of the people more than the rise in exports and the general growth in the economy. Thus, many sections of society have begun to feel that an economic improvement for them is connected with a political change.

BURHAN SENATALAR is an associate professor of economics at Istanbul University.



Gamma

Public housing towers over traditional houses in Ankara.



Sources: State Statistics Institute, Undersecretary of Treasury and Foreign Trade

Foreign Companies Hesitant to Invest

Continued from Page 8

see the product-price relationship, then they think of selling abroad. We can produce the same quality at half their cost."

European Community and U.S. quotas on Turkish cotton textiles pose a major block, however. Another problem is the limited capacity of the sector, made up of at most 20 modern factories and thousands of small workshops.

The field of tourism has its own wrinkles. Foreign management companies are opening holiday villages along the southern coast, built and owned by Turkish developers, for an exclusively French or German clientele, pricing local tourists out of the market.

High prices, now equivalent to Italy's, make tourism investments attractive to developers despite the relatively long payback period. Hilton and Sheraton are going ahead with plans to expand to Ankara. A number of international chains have expressed interest in managing luxury hotels in Istanbul, but the city's policy of tendering likely sites to the highest bidder is not winning many adherents.

Hopes are high to bring in foreign capital to finance major infrastructure projects, particularly in energy and transportation, under Turkey's "build, own and operate" policy.

"It was a major error to start [the policy] with a nuclear power plant," a lawyer for the government conceded. "The Akkuyu nuclear plant is so far on the backburner it has practically fallen off the stove." Priority is now being given to coastal thermal power plants fired by imported steam coal, each worth over $1 billion. The shrinking market worldwide for power plants, plus the expected 20-percent compounded all-in annual return make the projects attractive to foreign bidders, while government debt-service guarantees make the idea more palatable to development banks.

Not everyone is convinced, however. One Turkish businessman said "Frankly, BOOM is for the birds. No one buys it because no one knows how to go about it."

Defense is another sweet-sounding prospect these days. The newly established Defense Fund, which imposes a 3-percent surchage on income taxes and takes a portion of the gross income of casinos and lotteries, promises to provide ample funds to set up a defense industry. General Dynamics and ITT are studying opportunities to participate in export-oriented projects, as are many Turkish companies.

The country's rich mineral resources are also attracting considerable attention. A new mining law opened fields closed since the 1920s to exploration and exploitation by foreign companies. The big problem, though, according to American officials, is the "inhumane, primitive state of the mines. No Western company wants to risk getting involved in such dangerous conditions."

As for agrobusiness, Turkey is a natural. While the government is putting emphasis on export-oriented investments, it is worried that large-scale mechanization could increase rural unemployment.

There is no doubt that the door is open to foreign companies that offer a good project. Red tape at the higher levels of bureaucracy has been all but eliminated, although problems can crop up lower down.

Finding the right local people, partners with the same management mentality and a good lawyer who knows the ropes, can be difficult. Overvalued real estate in Istanbul, the choice of most for headquarters, is another stumbling block. "The prices they are asking for offices and homes are crazy," said Carl-Viggo Ostland, general manager of Tetra Pak. Prices have risen 50 percent in one year in dollar terms.

ANN TABOROFF is a journalist based in Istanbul. She contributes to CBS radio and McGraw Hill publications.

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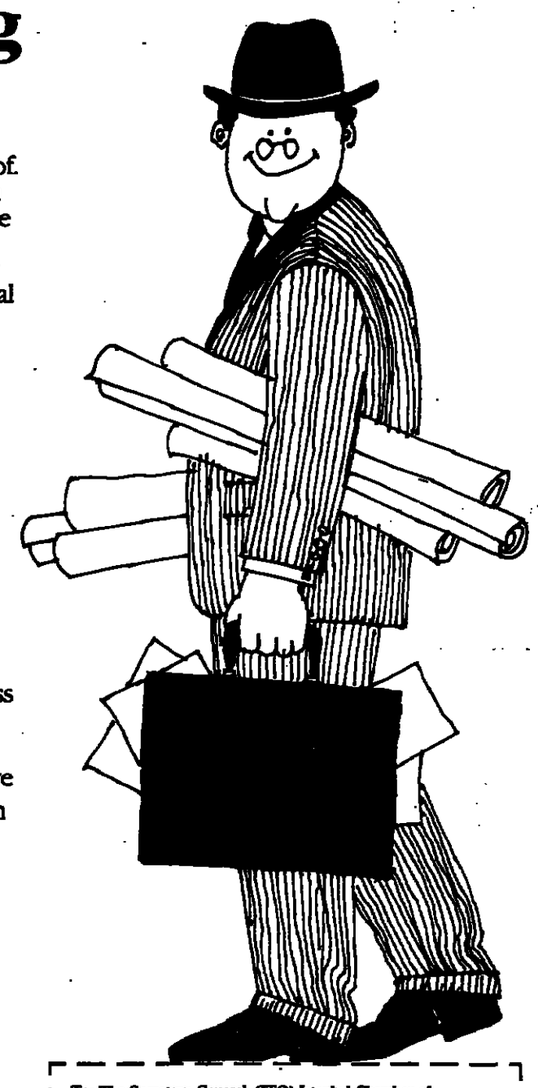

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Food for Thought

Outdated Agriculture Sector Is Slowly Adjusting to a Freer Market

Turkey, one of the few countries that is self-sufficient in food, has been importing foodstuffs in increasing amounts since 1980.

By Mustafa R. Gursel

ISTANBUL — Agriculture, along with other sectors of the economy, has been given a jolt by Prime Minister Turgut Ozal's free market policies. While some sectors have adjusted remarkably fast to the new economic conditions, the agricultural sector has been rather slow in coping with its share of the face-lifting.

Turkey, one of the few countries that is self-sufficient in food, has been importing foodstuffs in increasing amounts since 1980.

When asked about this, Mr. Ozal said: "What is more important? If one is a strong agricultural country, one should export more than one imports and the difference should be in your favor. At the same time, it is not economical to produce some of the products. The custom in Turkey was to aim to produce everything ourselves, not only in industry but also in agriculture. . .

"I am changing this system and I am saying that we should produce what is more economical for us and not produce what is not economical. If you let free market conditions prevail and allow import and exports to operate freely, the market will decide what to produce and what not to."

Although his logic may be sound, the adaptation of the agricultural sector to these new market conditions could take considerable time. Primitive farming methods combined with problems in standardization, storing, packaging and marketing have to be tackled first.

The rise in agricultural imports has been dramatic. Turkey imported only $50 million worth of agricultural goods in 1980. In 1984, this figure rose to $417 million and more than doubled to over $900 million in 1985. The balance was still in Turkey's favor since agricultural exports in 1985 were close to $2 billion.

The increase in imports was partly due to a bad harvest in 1985. Crop yields were hurt by a very cold winter followed by an exceptionally dry summer.

Another reason for the increase were the policies of the market-minded Ozal government. The government allowed meat and cheese to be imported to counter rising prices of local produce. The plan worked well and prices were stabilized.

However, with the liberalization of imports, supermarkets were soon full of coconuts and soya sauce as well as meat and cheese.

The Union of Agricultural Chambers has strongly criticized the government's decisions. However, the minister of agriculture, Husnu Dogan, has said that "as part of our philosophy of economic liberalization, imports of agricultural goods will continue freely as well."

The farmers have other reasons to complain. The government has radically changed the state's agricultural policy. For decades, Turkish governments set high prices for farm products and gave substantial subsidies, since this sector was traditionally a power base for conservative governments.

However, the monetarist Ozal government, in order to restrain inflation and stimulate efficiency, removed most of these subsidies and curtailed the prices of more than 20 crops. As a result, the farmers are bitter.

Officials see two solutions. Mr. Dogan is giving top priority to the use of new seeds with a higher yield. If these seeds prove successful, he predicted a threefold increase in, for example, wheat output.

"First, we will teach our farmers how to use these seeds, then our exports will increase greatly," he said.

The other solution is the completion of the Ataturk Dam on the Euphrates as part of the huge Southeastern Anatolian Project. Mr. Dogan said it is hoped that the dam will be completed early in the next decade. At least 1.8 million hectares (4.4 million acres) of land are expected to be opened to agriculture.

These projects should overcome one of the primary problems of Turkish agriculture — irrigation.

Meanwhile, Turkey has a vast agricultural potential. The increase in output for 1985 was estimated at around 2.2 percent despite all these problems. The target under the 1985-1989 five-year plan is an annual increase of 3.6 percent.

Given the annual birth rate of around 2.5 percent, if Turkey is to achieve its export goals in agricultural products, it must increase its agricultural output.

Agriculture, the country's largest single industry, will need serious investments to meet its potential capacity.

MUSTAFA R. GURSEL, a journalist based in Istanbul, helped to coordinate this special report.

Turkey, with vast potential in areas such as Kurdistan (top) increased output 2.2 percent.

Foreign Debt

IMF Cites Nation as a 'Good Example'

ANKARA — Turkey, along with Brazil, Mexico and Argentina, is listed among the top 10 of the world's heaviest borrowers. However, although it owed around $25 billion by the end of 1985, Turkey does not appear on the "bad list of world creditors" any longer.

The International Monetary Fund has called Turkey a "good example," and a foreign banker recently commented that "Turkey has swallowed the bitter medicine and is getting on the right track again."

Since the last debt rescheduling in 1980, Turkey has been more consistent in paying back its foreign debts on time. It did not sign a standby agreement with the IMF in 1985 and will not sign one this year.

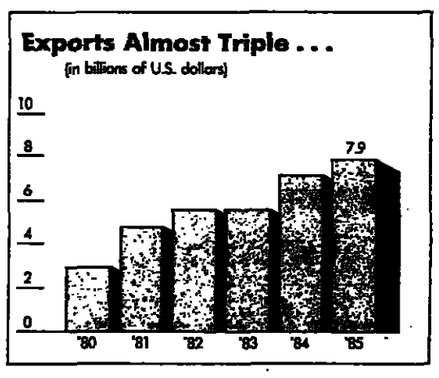
However, the IMF regularly sends teams to Ankara on fact-finding missions and to advise the government on the economy. Turkish financial authorities point out that, although the economy is open to full scrutiny, the ability of Turkey to stand "on its own feet increases its creditworthiness" in international markets. The country's credit is indeed good, as evident by the fact that it can borrow further.

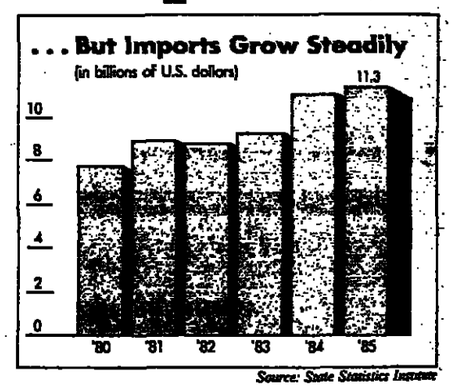
Ankara is paying its foreign debts without facing any serious financial distress. In 1985,the total debt service was $3.6 billion and almost the same amount will be repaid in 1986. The central bank's annual report for last year said that "the country had repaid more principal debts in 1985 than it had borrowed medimn-long-term debts." Indeed, the country paid over $1.8 billion of principal debts while medimn- to long-term debts increased by $1.6 billion.

Since Prime Minister Turgut Ozal came to power in 1983, Turkey's balance of payments has shown significant improvement. Mr. Ozal reportedly draws a parallel between military intervention and acute balance-of-payments deficits, pointing out that the three military interventions in Turkey, in 1960, 1971 and 1980, took place following serious economic crises. As a result, an improved balance of payments is a major target of his government.

The current-account deficit of $1.8 billion in 1983 decreased to $1.5 billion in 1984 and to $1 billion in 1985. This year, the deficit is estimated to be less than $400 million.

There may be relief in debt servicing as the rescheduled debts will almost finish this year. However, data released by the central bank show that, although debts are being paid systematically, the overall amount of debts is again rising. In 1983, the debts stood at $18.8 billion. By the end of 1984, this amount had risen to $21.28 billion. By the end of 1985, Turkey's total foreign debts were $25.01 billion.





Source: State Statistics Institute

'Turkey has swallowed the bitter medicine'

The central bank is not seriously disturbed by the piling up of foreign debts. In its annual report for 1985, the bank said that, although the medimn- and long-term debts had increased by $1.6 billion in 1985, when the loss in the value of the dollar was taken into account, this amount was even lower than the previous year. The bank noted that the same is true for short-term debts.

Mr. Ozal has said that as the current-account deficit decreases, the country will have to borrow less and less. If the drop in oil prices continues and Turkish exports remain steady, there might be a balanced current account in the near future.

Another reason for the increase in debts has been borrowing by big municipalities for special projects. However, since the beginning of this year, this has also been brought under the control of the central bank and treasury.

To eliminate the need to get loans for big projects, Mr. Ozal is trying to persuade Western agencies to "build, own and operate" in Turkey. Under this plan, the country will not finance projects but will guarantee buying the resulting products. Such an agreement, although not announced yet, has been reached with the Swiss, who will "build, own and operate" a thermal power plant of 1,200-megawatt capacity near Istanbul.

There are business circles, nevertheless, that are concerned about the growing foreign debt. The Association of Turkish Businessmen and Industrialists, in a recent study, regarded the gradual increase in foreign debts as a serious, negative development.

The study noted that the share of foreign debts as part of the gross national product has been increasing. This share, which was 33.2 percent in 1982, went up to 36 percent in 1983, to 43.6 percent in 1984 and to 43 percent in 1985. The report warned that short-term debt within the total debt burden have also been increasing.

It also said that the foreign-currency deposit accounts of Turks resident in Turkey were not included in the outstanding debt total. This conflicts with the opinion of the central bank, that these accounts are an asset to Turkey rather than a liability.

Although the discussion of debts continues inside Turkey, the country has become a creditworthy and desirable borrower again in international markets in recent years.

Mustafa R. Gursel

Your Partner in TURKEY

Under its new liberalized economic regime, Turkey is a land of opportunity in many fields. Petroleum sector is one of the foremost - and the Turkish Petroleum Corporation, or TPAO is in the van of this advance.

Today, it benefits from, and contributes to, the political and economic stability that characterizes Turkey in the post - 1980 era. In all sectors Turkey is "opening up". In the petroleum sector, perceptive investors realise that new opportunities lie within their grasp.

Turkey is also a largely unexplored country. Although it is the largest in Europe after the Soviet Union, only about 2,064 wells have been drilled in the past 50 years. The deepest well drilled in Turkey so far is about 5,700 meters (or 18,700 feet). These statistics speak for themselves. In exploration terms, Turkey is still a "New Frontier" for the petroleum industry and its ancillary activities.

Equally important, the new Petroleum Law of March 1983 has greatly changed the regime. Consider the following advantages now accorded to the right holders:

1. Thirty-five per cent right of exportation of hydrocarbons produced onshore, and 45 per cent of hydrocarbons produced offshore.
2. The right to keep overseas the proceeds from above.
3. Equal treatment of all oil companies, national and foreign, including TPAO.
4. Extended new exploration periods, from five to eight years.
5. The right to construct pipe-lines and refineries.
6. Streamlined procedures in answering applications, so that if no answer is received within a given and shortened time the application is regarded as accepted in law.

A new confidence thus exists in return for investments and profits. Turkey is now a country where investment, and subsequent profits, can be freely repatriated.

Furthermore, the rate of exchange is guaranteed in all repatriation of investment.

The expansion of the TPAO is itself a success story. Founded in 1954 as a joint stock company, it then had a capital of 150 million Turkish Lira. Today it is a giant corporation, with capital of 500 billion TL. It has been listed by Fortune Magazine as 81 st in the prestigious list of "The World's Largest Industrial Corporations."

With its expansion, structural changes have been necessary. TPAO now has a group of subsidiaries or associated companies which handle pipe - line transportation, refineries, marketing, etc; while it as the parent corporation, concentrates on exploration drilling, and production.

Employing a staff of over 4,500, TPAO owns 34 drilling rigs, operates productively from 320 oil-wells, and controls millions of acres of exploration-permit territory, in the most promising areas of the country.

Foreign companies are being encouraged to cooperate with TPAO in joint ventures. Several such joint operations are already working successfully, while negotiations with other foreign companies are proceeding. Altogether 18 foreign companies were operating, in different branches of the petroleum industry, last year.

In addition, TPAO is prepared to form joint ventures in regions of exploration, drilling and production in 3rd countries.

This picture of advance and expansion must be seen in the context of Turkey's drive to become self-sufficient in the whole field of energy. We in TPAO believe that every barrel of oil - no matter who produces it - is a step toward that goal.

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Exports Up To Islamic Neighbors

Trade has grown dramatically since 1980.

By Dilip Hiro

LONDON — Turkey was a leading participant in the Second Islamic Trade Fair last April in Casablanca, which was attended by 26 countries. Eighty Turkish companies exhibited their wares, ranging from electrical appliances and farm machinery to canned food and industrial machines.

This was one of the several indicators of Turkey's growing economic interest in the Islamic world. Last year, Turkish exports to the Islamic states amounted to $3.34 billion, more than the $3.13 billion it exported to the European Community, of which Turkey is an associate member committed to applying for full membership in 1988.

Before the September 1980 military coup, Ankara's exports to the Islamic countries totaled only $400 million. Here, the term "Islamic" means Middle Eastern and, more particularly, Iran, Iraq, Libya and Saudi Arabia, in that order. These four countries account for nearly 95 percent of total Turkish shipments to the Islamic states, which last year amounted to 42 percent of total exports. Imports from these countries came to 32 percent of total imports.

A variety of factors have caused this dramatic change. The military regime encouraged exports through policies of selective allocation of cheap credits, tax rebates on export-oriented output and preferential access to foreign exchange. Because of this, the weak domestic market and the high cost of maintaining inventories due to interest rates of 50 percent to 70 percent, Turkish businessmen made determined bids to capture foreign markets.

In addition, the Western embargo on Iran in April 1980 and the outbreak of the Gulf war five months later helped to boost Turkish exports. The hostilities led to the destruction of the shipping facilities at the two Iraqi ports in the Gulf and generally made the northern Gulf unsafe for merchant shipping. Both combatants were, therefore, obliged to strengthen commercial ties with their neighbor to the north, Turkey, which had declared its neutrality in the conflict.

Iran and Iraq increased their purchases of Turkish processed and manufactured goods. Consequently, Ankara's shipments abroad of these products doubled in 1981. The overall value of Turkish exports in 1981 rose by 62 percent, with two-thirds of the increase attributed to Iran, Iraq and Libya.

Between 1980 and 1982, Turkish shipments of food [illegible] and industrial machinery and electrical appliances rose from $87 million to $748 million. Iran tried to balance the trade by selling oil to Ankara at the rate of 80,000 barrels a day, bringing the two-way commerce to $1.54 billion in 1982.

Two years later, the two-way trade was $2.32 billion. According to the economic protocol signed by Prime Minister Turgut Ozal during a visit to Tehran in January, Turkey would become Iran's leading trading partner in 1986-1987, ahead of Japan and West Germany.

From Tehran's point of view, the fact that Turkey is a member of the North Atlantic Treaty Organization and has a secular constitution is counterbalanced by other considerations. Hussein Shaikholislam, Iran's deputy foreign minister, said, "Turkey is our neighbor, a Third World country and its people are Moslem."

Turkey's trade with Iraq follows the same pattern as that with Iran. It sells Iraq processed and manufactured goods and machinery and buys oil. The 900-mile (1,448-kilometer) oil pipeline from Kirkuk in Iraq to the Turkish port of Yumurtalik is an important way for Baghdad to earn foreign exchange and remain solvent. Ankara is, therefore, as committed to keeping this pipeline in operation as Baghdad.

However, trade between Ankara and Baghdad peaked at $2.03 billion in 1982 and since then has fluctuated at around $1.86 billion. Iraq is in financial difficulty and owes Turkey $950 million. During Mr. Ozal's visit to Baghdad in March, President Saddam Hussein asked for an extension of a year to pay the Iraqi debt, but he was turned down.

More than a hundred Turkish construction companies, some of them large consortia, are active in the Middle East, mainly in Libya and Saudi Arabia. There are 30,000 Turkish workers employed in Libya, and their remittances are a welcome item in Turkey's foreign-exchange account.

Turkey ships the same items to Tripoli as it does to Baghdad or Tehran. But since the Libyan population is only about 3 million, such shipments amounted to only $142 million in 1984. In contrast, Turkey's purchase of Libyan oil came to $658 million.

Turkey had a favorable trade balance of $163 million with Saudi Arabia. The economic agreement signed by Mr. Ozal in Riyadh last year envisioned two-way trade of $850 million with the balance being in Turkey's favor.

There has been a big jump in the number of Saudi tourists to Turkey. The 1980 figure of around 19,600 more than trebled last year. Those Saudis and other Arabs who do not like, or cannot afford, a vacation in Europe are now flocking to Istanbul, where they are welcomed.

Undoubtedly, such perceptions have played, and continue to play, a significant role in accelerating Turkey's integration into the economies of the leading Middle East countries.

IHT graphic

DILIP HIRO is a writer and journalist based in London. His latest book is "Iran under the Ayatollahs" (Routledge & Kegan Paul, London and New York).

EC Negotiations Enter Critical Phase

By Steven J. Dryden

Turkey sees the revival of its association agreement as an important step.

BRUSSELS — The process of renormalizing relations between the European Community and Turkey, which began late in 1985, is now entering a critical stage.

Following the decision in December by three EC nations, Denmark, the Netherlands and France, to drop their complaint against Turkey in the European Human Rights Commission, the EC Council of Ministers endorsed a gradual return to normalized relations. The move was seen as recognition of the progress made by Ankara in restoring political freedoms since the 1980 military coup, which resulted in the EC decision to freeze relations with Turkey.

In April, EC-Turkish relations were eased further by the settlement of a long-standing dispute over the level of Turkish textile exports to the community.

Turkey hopes that the Turkish-EC Association Council, which includes community foreign ministers, can meet in October to formally reopen relations. At that time, 600 million European Currency Units ($564 million) in EC financial aid for Turkey, which has been blocked since 1981, will be freed.

Turkey sees the revival of its association agreement with the EC as an important step toward presenting an application for EC membership.

But before the agreement can be brought back into force, solutions must be found to the objections of Greece, which was not a community member when the agreement was made in 1963.

The EC commissioner in charge of relations with Turkey, Claude Cheysson, who visited Greece in May, will go to Ankara in late June to see if there is any flexibility in the Turkish position.

Besides the bilateral difficulties with Greece, there are several problems between Turkey and the full community that must be resolved this year.

One of the most pressing issues is the meaning of the clause in the association agreement dealing with the movement of Turkish workers within the community as of December 1986.

Turkey interprets the clause as allowing complete freedom of movement for its workers. The commission believes the clause is not that explicit and maintains that the current high rate of unemployment in the community makes it difficult for member states to grant such freedom.

In particular, West Germany, which has a Turkish population of 1.5 million, is known to want controls kept on Turkish immigration.

The commission has proposed that the rights of Turkish workers already living in the EC be improved but says it cannot recommend complete freedom of movement for these workers at this point since controls on workers from Spain and Portugal, the two new member states, will be maintained until 1992.

Another factor in the improvement of EC-Turkish relations is the political situation inside Turkey. EC member states have said that, as the renormalization process develops, they want to see continued progress by Turkey toward the full restoration of political freedoms.

Turkish diplomats have said their country may submit an application for EC membership within two years, or sooner, if the association agreement is unblocked this year.

Most member states are uncomfortable with the idea, in part because of the current financial burdens of the EC and the trials of adjusting to the entry of Spain and Portugal. Their only consolation is that Turkey envisions a 15- to 20-year period of negotiations and transition before full membership.

STEVEN J. DRYDEN writes for the International Herald Tribune and The Washington Post from Brussels.

Renewed Accord On U.S. Bases Tied To Textile Quotas

By John M. Goshko

WASHINGTON — Secretary of State George P. Shultz got an unpleasant surprise during his visit to Ankara in March, when he had lunch with the leading Turkish business association and heard his host, Sakip Sabanci, make a blunt plea for Turkey to be given greater access to the U.S. textile and steel-pipe markets.

"Do you have a word in your language called 'sandbag'?" an unsmiling Mr. Shultz replied. "I was brought here to have a nice luncheon and instead get hit behind the ear."

Mr. Shultz noted that in negotiations earlier this year, the United States offered to increase Turkey's textile quota from $120 million last year to $190 million — a doubling of its share of the U.S. market from 1 percent to 2 percent.

"That's the reality, and there's no point in bringing me here and beating me over the head with it," he told the businessmen in response to Prime Minister Turgut Ozal's call for increasing the textile quota to $400 million.

While officials on both sides insisted that the exchange was not a sign of chilliness in the normally warm U.S.-Turkish relationship, Mr. Shultz left Ankara on notice that Mr. Ozal intends to link renewal of an agreement on 15 U.S. military bases in Turkey to increased sales of textiles and other exports to the United States.

Although Turkey's foreign-assistance level of just under $1 billion makes it the third largest recipient of U.S. military and economic aid after Israel and Egypt, the Ozal government has been increasingly vocal in demanding more U.S. help for Turkey's financial problems. However, Turkish hopes for more aid have been frustrated by the Reagan administration's pursuit of greater budgetary restraints and Congress's insistence on adhering to a formula that gives Greece $7 in military assistance for every $10 allotted to Turkey.

That caused Mr. Ozal to change tactics and link renewal of the bases agreement to improved trade. Last October, he said he wanted Turkish exports to the United States to rise from their 1984 level of $433 million to $3 billion. He underscored that wish by saying: "If I give them bases, I want an increase in trade in return."

"It is not unusual for foreign officials to raise the textile quota and try to put the United States on the spot," said I.M. Destler, a senior fellow specializing in the public policy aspects of trade at the Institute for International Economics in Washington. "It is unusual, though, to link it publicly to security concerns."

Mr. Ozal is betting that he can pursue this strategy successfully because the U.S. government believes that his conservative economic policies offer the best hope of curing the debt and inflation problems that have caused unrest in Turkey. In addition, the possibility that leftist Prime Minister Andreas Papandreou of Greece might force the closure of American bases there by the end of the decade has made maintenance of the Turkish bases even more important to U.S. strategic interests in the Mediterranean.

Turkey traditionally has been a minor market for U.S. exports and an even smaller source of exports to the United States. In 1985, Turkey was the 32d largest export market for the United States; its sales to the United States, almost one-third of it tobacco, put it in 51st place among American suppliers.

The trade that does exist is heavily in the U.S. favor, with the United States chalking up a record $785-million surplus in 1984 and $649 million last year.

Mr. Ozal's hopes of narrowing the gap center largely on increasing Turkish sales of steel products and, more importantly, textiles.

However, U.S. officials appear to believe that, in the end, Turkey's continued tensions with Greece and hostility toward its northern neighbor, the Soviet Union, will prevent Mr. Ozal from any moves that might weaken his ties to the United States.

JOHN M. GOSHKO is a Washington-based diplomatic reporter for The Washington Post.

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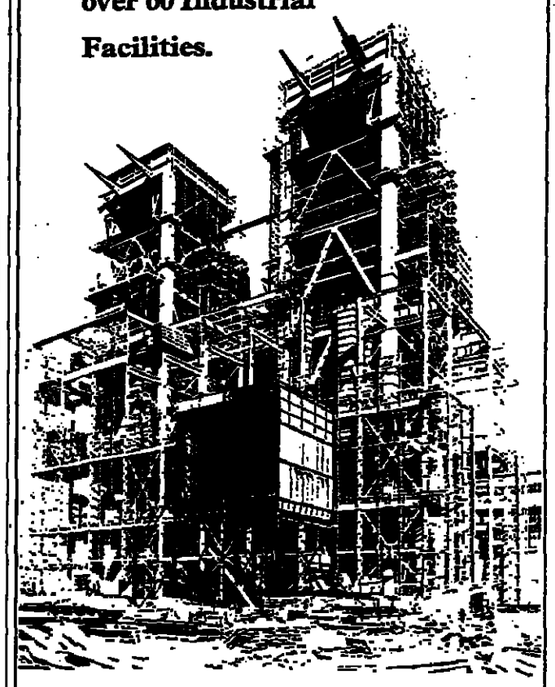

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Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277.
Prices may vary according to market conditions and other factors.

RECENT ISSUES

May 29

Amt	Security	Mat	Str/Conv	Issue Price	Mid Price	Yield
dm 250	Lufthansa Intl Financ	6 % '96 Jun	s	100	99¾	6.03
dm 250	Lufthansa Intl Financ	6¼ % '16 Jun	s	100	99¾	6.27
dm 100	African Develop Bank	6¼ % '96 May	s	100	100	6.25
$ 150	Japan Highway Pub Co	7¾ % '96 Jun	s	100¾	94	8.54
dm 500	Daimler Benz Intl Fin	5¾ % '01 May	s	100	100	5.75
$ 100	Soc Gen Surveilla W/w	3 % '96 Jun	s	100	106	2.52
dm 200	General Motors Corp	5¾ % '96 Jun	s	100	95½	6.37
dm 150	Metallgesellschaf W/w	2¾ % '96 Jun	s	100	95	2.89
$ 150	Sncf Nat Chemins Fer	7¾ % '96 Jun	s	101½	96½	8.28
ecu 175	Credit Lyonnais	6⅞ % '92 Mar	s	100½	99½	7.55
dm 250	Nord-Lb Finance	6 % '01 Jun	s	100	99	6.21
l 100	Sweden	8⅝ % '96 May	s	100	96¾	9.28
ecu 200	Sweden	6½ % '96 May	s	100	95¼	7.18
dm 200	Ireland	5⅞ % '96 May	s	99½	99½	6.01
$ 200	Ford Motor Credit Co	7¾ % '87 May	s	100¾	97	8.44
dm 750	Deutsche Bank Finance	5⅞ % '96 May	s	100	98	5.90
ecu 100	Banque Nationale Paris	7⅛ % '93 Aug	s	100½	100	7.12
ecu 100	Ireland	7⅝ % '96 May	s	100½	95¾	7.83
$ 200	Petro-Canada	7¾ % '96 May	s	100¾	97	8.47
$ 150	Manitoba Province	7½ % '96 May	s	100¼	92	8.73
$ 250	Electricite France	7⅝ % '06 May	s	101½	95	8.40
$ 150	Jardine Math Pref/sh	7 % '00Ju	c	100	100½	
$ 150	Electrolux	7⅝ % '93 May	s	100½	93¾	8.86
$ 150	Belawest Properti Inc	7⅝ % '93 Jun	s	100	94¼	8.89
$ 100	First Boston Inc	7½ % '96 May	s	99	92¼	8.96
$ 100	Honeywell Inc	7½ % '96 May	s	100¼	95¾	8.68
dm 300	Dow Chemical Co	5⅝ % '96 May	s	100	97¼	6.75
$ 200	Pepsico Inc	7⅝ % '93 May	s	100¾	94¼	8.58
$ 75	Pearson Plc	5¾ % '01 Jun	c	100	104½	5.32
$ 125	Caisse Nat Cred Agric	7½ % '96 May	s	100½	95	8.25

STRAIGHT BONDS
All Currencies Except DM

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
	AUSTRALIA						
$ 120	Australia	8½	'86 Oct	100½	4.78		8.46
$ 100	Australia	11¼	'90 Oct	113½	7.50		9.91
$ 60	Australia	8¾	'91 Oct	103¾	7.99	7.55	8.48
$ 200	Australia	11	'95 May	115	8.54		9.57
$ 300	Australia	11⅛	'95 Oct	117¼	8.65		9.77
$ 100	Australia	11⅝	'98 Oct	123	8.53		9.45
$ 100	Australia	11¼	'00 May	114¼	9.32		9.88
$ 25	Alcan Australia	8½	'89 Apr	99	8.89		8.59
$ 60	Alcoa Of Australia	10	'89 Jun	100¾	9.89		9.98
$ 80	Alcoa Of Australia	11	'92 Jul	105¼	9.78		10.48
$ 75	Australian Ind Dev Co	11	'89 Feb	107	7.95		10.28
$ 35	Austroswiss	8	'87 Jul	100¼	7.73	7.43	7.98
$ 30	Broken Hill Pty	8¼	'89 Apr	99¾	8.44	8.53	8.29
$ 150	Broken Hill Pty	14⅛	'89 May	107	11.80		13.79
$ 100	Broken Hill Pty	12	'90 Jan	105¾	10.09		11.35
$ 20	Broken Hill Pty	10	'90 May	100¼	9.91	9.87	9.98
$ 150	Broken Hill Pty	10	'92 Dec	107¼	8.49		9.32
$ 40	Comalco Invest Europe	10¼	'91 Jul	101½	9.85	9.65	10.10
$ 100	Commonwealth Bk Austr	12¾	'89 Nov	112½	8.82		11.00
$ 100	Commonwealth Bk Austr	10	'93 Nov	108	8.49		9.26
$ 75	Csr Limited	16	'89 Jul	119½	8.60		13.39
$ 36	K Mart Finance	9	'86 Oct	100½	7.25	3.22	8.96
$ 100	Mount Isa Finance	13¾	'87 Jul	105½	8.39		13.03
$ 100	Mount Isa Finance	11	'95 Dec	108	9.66		10.19
$ 50	National Austr Bank	11¼	'90 Apr	109½	8.27		10.27
$ 140	Qantas Airways	10⅛	'95 Jul	111	8.58		9.35
$ 97	Qantas Airways	8⅝	'96 Mar	101	8.46		8.54
$ 100	Queensland	11⅛	'89 Dec	109¾	8.12		10.38
$ 100	Queensland	10¼	'95 Aug	110	8.62		9.32
$ 50	Rural Industries Bank	12	'91 Feb	112¾	8.73		10.70
$ 100	South Austr Gover Fin	8¾	'93 Mar	101	8.54		8.66
$ 100	State Bk New S Wales	11⅛	'98 Jun	116¾	8.17		10.27
$ 100	State Bk South Austr	10½	'92 Feb	108¾	8.77		9.64
$ 100	State Bk South Austr	9¼	'93 Feb	102½	8.73		9.02
$ 100	State Elec Com Victor	10	'92 Nov	106	8.73		9.43
$ 30	Tnt Overseas Finance	9	'87 Aug	99¾	9.17	9.26	9.02
$ 150	Treasury New S Wales	11¾	'90 May	111	8.34		10.59
$ 150	Victoria Public Autho	11¾	'92 Apr	113	8.71		10.29
$ 100	Victoria Public Autho	8⅝	'96 Oct	101	8.62		8.52
$ 50	Western Mining Corp	9	'92 Oct	100½	8.87	8.86	8.96
$ 100	Westpac Intl Finance	11	'90 May	108¼	8.46		10.16
	AUSTRIA						
$ 150	Austria	15½	'88 Mar	112¾	7.67		13.76
$ 50	Austria	8⅝	'90 Aug	101¾	8.22	8.20	8.60
$ 100	Austria	13¾	'92 Jul	124	8.42		10.99
$ 200	Austria	11¼	'95 Jan	116	8.54		9.70
$ 102	Austria	9½	'06 Mar	104¾	8.97		9.07
$ 100	Austrian Control Bank	10¾	'90 Jun	108¾	8.12		9.89
$ 175	Austrian Control Bank	10	'91 Apr	107¼	8.13		9.32
$ 50	Austrian Control Bank	15¼	'92 Apr	128¾	8.75		11.84
$ 50	Austrian Control Bank	12	'94 Dec	123¾	8.52		9.97
$ 50	Creditanstalt-Bankver	10¾	'88 Jun	105	7.96		10.24
$ 100	Creditanstalt-Ban X/w	14	'88 Jul	109¾	8.83		12.76
$ 50	Creditanstalt-Bankver	11	'89 Jul	106½	9.28		10.56
$ 75	Creditanstalt-Bankver	15½	'88 Jul	114	11.09		13.60
$ 30	Creditanstalt-Bankver	13⅛	'91 May	120½	8.07		10.89
$ 40	Donaukraftwerke Ag	11⅛	'90 Feb	115½	6.88		10.17
$ 50	Girozentrale Bank Sparkassen	11¼	'89 Sep	118¾	8.35		12.83
$ 75	Girozentrale Bank Sparkassen	13¼	'91 May	117¾	8.75		11.26
$ 30	Postsparkasse	12¼	'89 Apr	109¾	8.29		11.16
$ 30	Tauernautobahn Ag	8⅛	'87 Mar	100¼	7.19	7.18	8.19
$ 30	Trans Austria Gasline	7½	'88 Jan	98¾	8.38	8.61	7.59
$ 42	Vienna City	12¾	'92 Oct	115¾	8.99		10.63
$ 50	Zentralsparka-Kommerz	11⅛	'90 Feb	109½	8.27		10.39
	BELGIUM						
$ 250	Belgium	8½	'91 Mar	101¼	8.16		8.40
$ 300	Belgium	7¾	'91 Apr	99½	7.87		7.79
	CANADA						
$ 750	Canada	14⅜	'87 Jun	107	7.19		13.43
$ 500	Canada	10⅝	'88 Oct	107	7.55		10.16
$ 500	Canada	11½	'90 Mar	111	8.02		10.36
$ 500	Canada	10	'95 Nov	109¾	8.45		9.11
$ 1000	Canada	9	'96 Feb	104¼	8.28		8.63
$ 50	Abitibi-Price	15¾	'91 Dec	115¼	11.79		13.67
$ 50	Aluminum Co Canada	9½	'88 Apr	100	9.47	9.45	9.50
$ 100	Aluminum Co Canada	11⅛	'95 Jun	105	10.37		10.71
$ 60	Amca Intl	11⅞	'88 Jun	104¾	10.85		11.03
$ 100	Bank Of Montreal	14½	'87 May	105¼	8.26		13.71
$ 150	Bank Of Montreal	16⅞	'91 Dec	112½	12.97		14.49
$ 100	Bank Of Nova Scotia	13⅝	'87 Jul	106½	7.59		12.82
$ 200	Brit Columbia Hydro	18¼	'88 Mar	114¾	7.31		9.79
$ 100	Brit Columbia Hydro	14⅜	'88 Jul	111	7.63		12.85
$ 100	Brit Columbia Hydro	16¼	'88 Oct	105¾	13.59		15.46
$ 200	Brit Columbia Hydro	14¼	'89 May	116¾	8.11		12.63
$ 150	Brit Columbia Hydro	15½	'92 Jul	129½	8.53		11.78
$ 200	Brit Columbia Hydro	11⅝	'93 Oct	117	8.50		10.04
$ 175	Canadair	12½	'89 Nov	113	8.01		11.06
$ 100	Canadian Imperial Bk	11	'89 Mar	106½	7.20		12.00
$ 75	Canadian Imperial Bk	8⅛	'90 Mar	100⅝	7.98		9.08
$ 100	Canadian Imperial Bk	16⅛	'91 Oct	117½	12.08		14.26
$ 85	Canadian Natl Railway	8⅝	'86 Nov	100¾	4.53		8.31
$ 100	Canadian Natl Railway	14⅞	'91 Dec	116	10.68		12.61
$ 50	Canadian Pacific	9⅛	'89 May	101¼	9.26	9.21	9.63
$ 75	Canadian Pacific	12½	'90 Oct	114½	8.51		10.94
$ 75	Canadian Pacific	13½	'92 Jun	112⅞	11.65		13.81
$ 100	Canadian Pacific	10⅛	'93 Oct	109¾	9.09		9.92
$ 100	Canadian Wheat Board	11¼	'90 Dec	104¾	10.00		10.79
$ 60	Consolidated-Bathurst	17¾	'88 Nov	111½	11.74	10.70	15.70
$ 50	Dome Petroleum	13½	'92 May	84	18.18		16.07
$ 50	Dome Petroleum	10	'94 Jul	80	14.30	15.38	12.50
$ 100	Export Develop Corp	13¾	'87 Oct	107¼	7.32		12.35
$ 100	Export Develop Corp	11¼	'87 Nov	106	7.10		11.08
$ 100	Export Develop Corp	10¾	'88 Jan	105	7.33		10.24
$ 125	Export Develop Corp	10	'88 Mar	104	7.50		9.62
$ 150	Export Develop Corp	11⅛	'89 Feb	107¾	7.86		10.34
$ 125	Export Develop Corp	12	'89 Nov	111¼	8.03		10.77
$ 100	Export Develop Corp	10	'90 Jul	106¼	7.99		9.37
$ 100	Export Develop Corp	8½	'92 Apr	101	8.27		8.42
$ 75	Farm Credit Corp	11⅝	'93 Oct	116¼	8.53		9.99
$ 50	Feder Business Dev Bk	8¾	'93 Feb	101½	8.43		8.62
$ 50	Genstar	10	'89 Jun	99¼	10.10		10.03
$ 75	Genstar	17½	'89 Oct	105¾	15.09		16.55
$ 100	Gulf Canada	14⅝	'92 Apr	114	11.32		12.94
$ 75	Hiram Walker Holdings	16	'89 Mar	115½	9.32		13.85
$ 75	Hudsons Bay	11½	'90 Jun	101	11.17		11.39
$ 50	Hudsons Bay	10	'94 Feb	98	10.37	10.51	10.20
$ 50	Imasco	15½	'89 Jan	105¼	12.92		14.73
$ 100	Inco	9	'92 Dec	96½	9.73		9.33
$ 50	Macmillan Bloedel	9	'92 Feb	96¼	9.87	9.97	9.35
$ 50	Macmillan Bloedel	9¼	'93 Mar	96½	9.97	10.06	9.59
$ 75	Manitoba Province	9½	'89 Mar	101½	8.84		9.36
$ 100	Manitoba Province	13¾	'89 Sep	115½	8.21		11.90
$ 125	Manitoba Province	11⅝	'89 Nov	110¼	8.19		10.46
$ 100	Manitoba Province	10½	'90 Jun	107½	8.24		9.77
$ 125	Manitoba Province	8¾	'91 Feb	101¼	8.33		8.62
$ 100	Manitoba Province	12½	'94 Oct	123¼	8.49		10.14
$ 150	Manitoba Province	7½	'96 May	92	8.73		8.15
$ 75	Massey-Ferguson Ned	9½	'91 Jun	92	11.78		10.33
$ 57	Montreal City	10¼	'87 Jun	101½	8.73		10.10
$ 70	Montreal City	12½	'91 Mar	111½	9.48		11.21
$ 100	Montreal City	15¼	'92 Mar	117½	11.44		12.98
$ 75	Montreal Urban Commun	12	'78 Nov	111¾	8.66		10.74
$ 60	New Brunswick Electri	17	'88 Oct	117¾	8.28		14.44
$ 75	New Brunswick Electri	14⅛	'89 Mar	118	8.39		12.27
$ 75	New Brunswick Electri	9⅜	'94 Mar	102½	9.27	9.11	9.51
$ 75	New Brunswick Provinc	15⅜	'87 Aug	108½	7.36		14.06
$ 75	Newfoundland Lab Hydr	17¼	'89 Nov	114	12.08		15.13
$ 35	Newfoundland Municipa	9	'88 Sep	101	8.71		8.91
$ 50	Newfoundland Province	9	'89 Feb	101	8.54		8.91
$ 60	Newfoundland Province	17¼	'89 Oct	112	12.55		15.40
$ 60	Newfoundland Province	13½	'90 Feb	105	11.69	11.89	12.86
$ 50	Newfoundland Province	9¼	'90 Jun	101¼	8.86		9.14
$ 75	Newfoundland Province	15⅜	'90 Aug	121½	9.11		12.76
$ 75	Newfoundland Province	13	'91 Apr	115¾	8.88		11.23
$ 50	Newfoundland Province	10	'94 Mar	101½	9.70		9.85
$ 100	Nova An Alberta Corp	16⅛	'89 Jan	106	13.27		15.33
$ 50	Nova Scotia Power	9¾	'89 May	102	8.95	8.84	9.56
$ 75	Nova Scotia Province	15¾	'89 May	118	8.24		13.35
$ 75	Nova Scotia Province	13⅛	'90 Aug	117⅝	8.55		11.16
$ 50	Nova Scotia Province	10⅝	'90 Jul	102	10.12	10.05	10.54
$ 100	Nova Scotia Province	11⅛	'91 Feb	111½	8.21		10.11
$ 75	Nova Scotia Province	15	'91 Jun	118¾	12.68		13.86
$ 100	Nova Scotia Province	11⅛	'96 Feb	112½	9.86		10.44
$ 125	Olympia & York Credit	10⅛	'90 Jun	104⅞	8.68		9.67
$ 100	Ontario Hydro	8½	'86 Sep	100⅞	4.46		8.46
$ 125	Ontario Hydro	8	'87 Apr	101¼	6.46		7.90
$ 150	Ontario Hydro	14⅛	'89 Apr	116¾	8.11		12.65
$ 300	Ontario Hydro	11¼	'89 Dec	109¾	8.06		10.27
$ 250	Ontario Hydro	10¼	'90 Jan	107½	7.97		9.53
$ 200	Ontario Hydro	11¼	'90 Sep	112¾	8.15		10.43
$ 150	Ontario Hydro	13½	'91 Feb	119½	8.53		11.30
$ 150	Ontario Hydro Aug	16	'91 Aug	117¼	11.41		13.65
$ 200	Ontario Hydro Nov	16	'91 Nov	118	11.35		13.56
$ 150	Ontario Hydro	15	'92 Aug	128½	8.81		11.67
$ 200	Ontario Hydro	12¾	'92 Oct	119¾	8.65		10.65
$ 200	Ontario Hydro	11⅝	'94 Feb	117¾	8.41		9.88
$ 25	Ottawa-Carleton	9½	'90 Mar	101½	9.00	8.74	9.36
$ 40	Ottawa-Carleton	14⅜	'97 Jun	118¾	11.72	10.21	12.47
$ 200	Petro-Canada	7¾	'96 May	92	8.47		7.88
$ 50	Polysar	9½	'86 Dec	101	7.41		9.41
$ 150	Quebec Hydro	16⅛	'88 Feb	113	7.78		14.38
$ 100	Quebec Hydro	17¼	'91 Oct	135½	8.72		12.75
$ 100	Quebec Hydro	11½	'92 Dec	112¼	8.91		10.24
$ 30	Quebec Hydro-Electric	8½	'89 Feb	100¾	8.23	8.22	8.46
$ 100	Quebec Hydro-Electric	13	'91 Feb	104¼	11.72		12.47
$ 100	Quebec Hydro-Electric	11½	'92 Jun	102¾	10.97		11.25
$ 125	Quebec Hydro-Electric	9	'92 Aug	101¼	8.72		8.89
$ 50	Quebec Hydro-Electric	9½	'93 Jul	102	9.18		9.31
$ 75	Quebec Hydro-Electric	10	'99 May	103	9.78		9.71
$ 50	Quebec Province	7½	'88 Jan	99¾	7.79	7.75	7.54
$ 100	Quebec Province	15¼	'89 Dec	115½	9.81		13.20
$ 75	Quebec Province	15	'90 Nov	122¼	8.92		12.27
$ 100	Quebec Province	14¾	'91 Jul	127¾	9.28		11.57
$ 150	Quebec Province	12¼	'94 Feb	114¾	9.48	9.34	10.70
$ 40	Quebec Province	9	'95 Nov	101¼	8.78	8.77	8.89
$ 25	Redpath Industries	9	'86 Sep	100¾	6.23		8.93
$ 100	Royal Bank Of Canada	11½	'89 Feb	107½	8.36		10.70
$ 100	Royal Bank Of Canada	11¼	'90 Mar	107¾	8.62		10.32
$ 75	Saskatchewan Province	8¾	'86 Sep	100½	6.52		8.71
$ 100	Saskatchewan Province	16⅛	'88 Nov	111	10.83		14.64
$ 125	Saskatchewan Province	16	'89 Mar	119	8.70		13.45
$ 100	Saskatchewan Province	17⅛	'89 Nov	111	8.87		10.78
$ 125	Saskatchewan Province	10¼	'90 Mar	106¾	8.12		9.93
$ 150	Saskatchewan Province	8½	'91 Mar	101	8.22		8.42
$ 100	Saskatchewan Province	10¼	'92 Mar	110½	8.36		9.73
$ 150	Saskatchewan Province	13	'92 Aug	120¾	8.82		11.67
$ 100	Seagram Co	12⅝	'90 Oct	103¾	11.51		12.36
$ 100	Shell Canada	15⅝	'91 Sep	114½	11.86		13.76
$ 125	Shell Canada	14⅛	'92 May	114	11.04		12.61
$ 40	Simpsons-Sears Accept	17½	'88 Nov	117¼	9.16		14.93
$ 75	Suncor Inc	12⅞	'91 Nov	114	9.38		11.35
$ 100	Toronto-Dominion Bank	13½	'88 Apr	107¼	9.08		12.64
$ 50	Toronto-Dominion Bank	17⅜	'89 Oct	108½	7.15		16.02
$ 75	Transcanada Pipelines	15⅛	'89 Nov	109½	14.60		13.82
$ 75	Transcanada Pipelines	12⅛	'90 Dec	116¼	14.08		15.24
$ 100	Transcanada Pipelines	16	'92 Mar	109¾	13.47		14.61
$ 50	Winnipeg City	17	'86 Oct	104	5.77		16.35
$ 40	Winnipeg City	8¼	'87 May	100	8.24		8.25
	DENMARK						
$ 100	Denmark X/w	13⅝	'88 Aug	111½	7.95		12.44
$ 100	Denmark	11⅛	'89 May	106	8.08		10.42
$ 30	Denmark	7½	'89 Jan	97½	8.48	8.58	7.69
$ 100	Denmark	10⅜	'90 Mar	104¾	8.89		10.43
$ 100	Denmark	11⅛	'90 Apr	109	9.00		10.87
$ 100	Denmark	11½	'90 May	110¾	8.36		10.42
$ 100	Denmark	12	'91 Mar	113	8.56		10.62
$ 100	Denmark	13	'91 May	117¾	8.49		11.04
$ 100	Denmark	14	'91 Jul	118	10.81		12.50
$ 100	Denmark	13⅛	'91 Sep	119	8.62		11.33
$ 250	Denmark	12⅝	'92 Feb	107¾	12.77		12.45
$ 100	Denmark	11⅛	'92 Apr	112¾	8.81		10.35
$ 100	Denmark	12¾	'92 Dec	118	10.25		11.14
$ 25	Mortgage Bank Denmark	7½	'91 Jan	97¾	8.32	8.62	7.71
$ 50	Mortgage Bank Denmark	13	'93 Jan	116	9.61		11.21
	FINLAND						
$ 75	Finland	15⅛	'87 Apr	106	7.53		14.39
$ 100	Finland	11½	'88 Jan	106	7.43		10.85
$ 100	Finland	8½	'91 Jan	101½	8.08		8.37
$ 100	Finland	8¾	'91 Feb	101¾	8.18		8.49
$ 50	Finland	8¾	'92 Oct	100¼	8.68	8.63	8.73
$ 75	Finland	12¾	'94 Nov	127⅛	8.57		10.09
$ 50	Enso-Gutzeit	11½	'90 Mar	106⅜	9.40		10.81
$ 50	Finnish Export Credit	14¾	'86 Dec	104¼	3.81		14.15
$ 75	Finnish Export Credit	12¾	'87 Nov	106¼	7.58		11.96
$ 100	Finnish Export Cr X/w	12¾	'89 Nov	112¼	8.49		11.36
$ 20	Ind Mtge Bank Finland	8	'87 Dec	100	7.95	7.96	8.00
	FRANCE						
$ 20	Banque Franc Com Ext	9	'89 Mar	101¼	8.46	8.18	8.89
$ 100	Banque Indosuez	15	'89 May	115½	8.82		12.99
$ 60	Banque Indosuez	15¼	'89 Aug	116½	9.87		13.09
$ 100	Banque Indosuez	11¾	'92 Sep	115	8.43		10.11
$ 100	Banque Nationale Paris	9⅜	'90 Dec	103½	8.47		9.31
$ 125	Banque Nationale Paris	8¾	'93 Apr	100½	8.64		8.71
$ 100	Caisse Centr Coop Eco	15¾	'87 Jun	126	8.13		11.67
$ 75	Caisse Centr Coop Eco	12¾	'95 Sep	117½	9.70	9.14	10.77
$ 100	Caisse Franc Matieres	12.25	'94 Nov	112½	10.32		10.98
$ 50	Caisse Nat Autoroutes	9¾	'91 Sep	102	8.74	8.39	9.07
$ 85	Caisse Nat Autoroutes	12¾	'95 May	106¼	11.58		12.00
$ 75	Caisse Nat Autoroutes	15¾	'96 Jun	115½	12.41		13.17
$ 75	Caisse Nat Autoroutes	15⅞	'97 Mar	120	12.39	11.23	13.23
$ 125	Caisse Nat Cred Agric	11¼	'90 Jan	109	8.36		10.32
$ 125	Caisse Nat Cred Agric	10	'90 Oct	106¼	8.22		9.41
$ 100	Caisse Nat Cred Agric	13¼	'91 May	119	8.44		11.13
$ 125	Caisse Nat Cred Agric	11½	'92 Apr	113¼	8.49		10.14
$ 125	Caisse Nat Cred Agric	7½	'96 May	95	8.25		7.89
$ 125	Caisse Nat Energie	11¼	'95 Feb	119¾	8.44		9.81
$ 100	Caisse Nat Telecomm	13¾	'91 Jun	121¾	8.38		11.29
$ 75	Caisse Nat Telecomm	9	'93 May	101	8.80		8.91
$ 100	Cie Fin De Paribas	13⅛	'89 Sep	108½	10.63		12.79
$ 100	Credit Commerc France	7⅛	'90 May	98	8.36		7.91
$ 100	Credit Equipm Petit M	7¾	'96 May	95⅛	8.41		8.18
$ 200	Credit Foncier Fr X/w	10⅞	'91 May	110¾	8.19		9.83
$ 200	Credit Foncier France	12½	'92 Jul	118¼	8.53		10.56
$ 200	Credit Lyonnais	9	'91 Feb	102⅝	8.36		8.79
$ 100	Credit National	8½	'86 Dec	101	6.46	6.47	8.42
$ 150	Credit National	9¼	'93 Feb	103¼	8.64		8.84
$ 50	Electricite France	8½	'87 Jun	100⅛	7.96		8.46
$ 50	Electricite France	10	'88 Jul	101¾	9.29		9.88
$ 100	Electricite Franc X/w	14⅛	'89 Apr	115¾	8.06		12.43
$ 100	Electricite France	11¾	'93 May	117¼	8.42		9.78
$ 225	Electricite France	10	'95 Jul	107¾	8.80		9.32
$ 100	Electricite France	10⅛	'95 Dec	108⅞	9.28		9.73
$ 250	Electricite France	7⅞	'96 May	95	8.48		8.29
$ 150	Elf Aquitaine	12	'90 Nov	111½	8.75		10.76
$ 175	Gaz De France	12¼	'93 May	114	9.84		10.56
$ 50	Michelin	7½	'90 Feb	98½	8.44	8.46	7.61
$ 125	Michelin	10	'94 Aug	102½	9.53	9.43	9.76
$ 60	Michelin O/s	9¼	'88 Sep	101½	8.47	8.23	9.11
$ 40	Port Authorities	9	'91 Nov	100¼	8.90		8.98
$ 75	Sncf Nat Chemins Fer	13	'91 Feb	105	11.53	11.03	12.38
$ 100	Sncf Nat Chemins Fer	11½	'93 Mar	115½	8.40		9.96
$ 150	Sncf Nat Chemins Fer	7¾	'96 Jun	96½	8.28		8.03
	GERMANY						
$ 150	Basf Finance Europe	9⅝	'89 Feb	103	8.55		9.59
$ 235	Basf Finance Europe	3	'01 Apr	97	3.26		3.09
$ 165	Basf Overzee X/w	11	'88 Mar	105½	7.50		10.43
$ 150	Bayer Intl Financ X/w	10½	'87 Jun	102½	7.91		10.24
$ 200	Bayer Intl Financ X/w	7¼	'89 Feb	100	7.23		7.25
$ 75	Bayerische Vereinsbk	13¼	'89 Oct	112½	8.81		11.78
$ 50	Bmw O/s Enterprises	10⅞	'91 May	106½	8.93		9.98
$ 100	Commerzbank Finance	13⅜	'89 Oct	107	10.51		12.27
$ 100	Commerzbank Finance	11½	'90 Jan	109	8.49		10.55
$ 100	Commerzbank Finance	11	'91 Mar	109½	8.59		10.05
$ 100	Commerzbank Intl X/w	7	'88 Jun	100	7.00		7.00
$ 50	Degussa Intl Fin X/w	8¼	'93 May	101	8.05		8.17
$ 100	Deutsche Bank Finance	11⅝	'87 Oct	104½	8.06		11.12
$ 200	Deutsche Bank Finance	14¼	'89 Aug	116	8.35		12.28
$ 200	Deutsche Bank Finance	13½	'89 Sep	114	8.38		11.84
$ 150	Deutsche Bank Finance	9¾	'96 Mar	102¾	8.81		9.00
$ 100	Deutsche Bank Lux X/w	6¼	'91 May	94½	7.62		6.61
$ 110	Deutsche Siedlungs Bk	7½	'96 Apr	95½	8.18		7.85
$ 100	Dresdner Finance	11	'90 Apr	106½	8.93		10.33
$ 100	Dresdner Finance	10½	'92 Oct	106	9.19		9.91
$ 125	Hoechst Finance X/w	6¾	'89 Jul	96	8.26		7.03
$ 85	Hoechst Finance X/w	8	'93 Feb	101½	7.69		7.88
$ 250	Siemens Western X/w	7¾	'90 Mar	101	7.42		7.67
$ 70	Veba Intl Finance X/w	8	'93 Dec	99½	8.08		8.04
$ 150	Volkswagen Overseas	7⅛	'87 May	99½	8.30		7.79
$ 100	Westlb Finance	11¾	'90 Dec	111½	8.68		10.65
	ICELAND						
$ 20	Iceland	9	'87 Feb	100¼	8.51	8.52	8.98
$ 50	Iceland	12¾	'92 Dec	106¼	11.31	10.78	12.00
	IRELAND						
$ 150	Ireland	9⅛	'96 Mar	102½	8.97		9.15
	ITALY						
$ 200	Italy	8¾	'91 Mar	102	8.71		8.58
$ 150	Italy	9⅛	'96 Mar	102½	8.72		8.90
$ 50	Consorzio Di Credito	7½	'90 Jan	100	7.48	7.49	7.50
$ 50	Enl Ente Naz Idrocar	7	'88 Jan	99½	7.30	7.38	7.04
	JAPAN						
$ 100	Bank Of Tokyo Curacao	13⅝	'89 Sep	115½	8.30		12.01
$ 125	Bank Of Tokyo Curacao	11	'90 Apr	108¾	8.23		10.11
$ 100	Bank Of Tokyo Curacao	11¼	'90 Dec	117¼	8.48		10.58
$ 100	Bank Of Tokyo Curacao	13¾	'91 Jun	127⅛	8.29		11.23
$ 50	Chubu Electr Power	12⅝	'89 Aug	108½	9.76		12.21
$ 100	Dai-Ichi Kangyo Bank	12⅞	'90 Oct	114¼	8.21		10.72
$ 100	Dai-Ichi Kangyo Finan	13⅛	'90 Jul	109	8.29		12.27
$ 75	Export-Import Bank	13¼	'91 Jun	118½	7.74		11.18
$ 100	Export-Import Bank	10⅜	'95 Jun	108½	8.94		9.54
$ 60	Fuji Intl Finance Hk	10⅞	'90 May	110½	8.06		9.84
$ 60	Hitachi Zosen	11½	'90 Mar	105	9.83	9.35	10.95
$ 50	Hokuriku Electr Power	12½	'89 Oct	107½	9.86		11.43
$ 100	Indust Bank Japan Fin	11⅜	'88 Apr	105¾	7.51		10.28
$ 125	Indust Bank Japan Fin	11½	'89 Mar	108¼	8.61		10.62
$ 100	Indust Bank Japan Fin	12¾	'89 Oct	113½	8.12		11.36
$ 100	Indust Bank Japan Fin	15¾	'91 Nov	113½	8.64		14.46
$ 100	Industrial Bank Japan	10⅞	'90 Feb	102¼	9.92		10.58
$ 125	Industrial Bank Japan	13¾	'91 Jul	112½	10.32		12.22
$ 100	Industrial Bank Japan	10¾	'92 Jan	106½	9.20		10.09
$ 100	Industrial Bank Japan	10¾	'93 Jun	108½	8.88		10.21
$ 100	Industrial Bank Japan	11½	'95 May	106½	10.35		10.80
$ 50	Itoh C Co Ltd X/w	7½	'89 May	95	9.59		7.89
$ 70	Japan Airlines	11	'93 Jun	105	9.97	9.57	10.48
$ 100	Japan Airlines	12½	'94 May	112½	10.15		11.11
$ 100	Japan Airlines	13¾	'94 Aug	114½	10.42		11.68
$ 150	Japan Airlines	8½	'96 Mar	98¼	8.71		8.53
$ 54	Japan Airlines	11	'97 Nov	106½	10.08	9.94	10.33
$ 42	Japan Airlines	10⅝	'98 Apr	106½	9.92	9.48	10.21
$ 50	Japan Develop Bank	15⅜	'87 Feb	104¾	6.15		14.59
$ 75	Japan Develop Bank	12½	'89 Oct	113	7.69		10.84
$ 100	Japan Highway Pub Co	7⅝	'96 Jun	94	8.54		8.11
$ 50	Japan Synth Rubbe X/w	7⅝	'89 May	95½	9.57		8.12
$ 50	Jusco Co Ltd X/w	8	'88 Dec	97½	9.09		8.21
$ 100	Kansai Electric Power	12⅛	'92 Oct	105¾	9.42		11.52
$ 100	Kyowa Finance (hk)	12⅞	'90 May	114¼	7.80		11.03
$ 150	Long-Term Credit Bank	11⅝	'89 Apr	107¼	8.08		10.87
$ 125	Long-Term Credit Bank	15⅛	'89 Aug	107½	14.76		14.80
$ 100	Long-Term Credit Bank	11	'90 Mar	108¾	8.24		10.13
$ 150	Long-Term Credit Bank	12⅜	'90 Apr	112¼	8.57		10.84
$ 100	Long-Term Credit Bank	10¼	'90 Jun	106¾	8.14		9.90
$ 150	Long-Term Credit Bank	13⅛	'90 Sep	118½	9.41		11.31
$ 100	Long-Term Credit Bank	13¾	'91 Jul	115½	9.65		11.88
$ 100	Long-Term Credit Bank	11¾	'91 Nov	117	8.25		10.08
$ 100	Long-Term Credit Bank	12	'91 Dec	113	9.65		10.71
$ 100	Long-Term Credit Bank	11¾	'94 Mar	113⅜	9.43		10.51
$ 100	Minebea Co X/w	6¼	'89 Feb	92	7.48		6.79
$ 50	Mitsubishi Chemic X/w	11	'87 Jan	101½	8.46		10.86
$ 100	Mitsubishi Corp X/w	5¾	'88 Nov	92	9.49		6.25
$ 100	Mitsubishi Corp	13¾	'89 Jul	109½	9.40		12.10
$ 100	Mitsubishi Corp	10⅞	'90 May	107	8.83		9.81
$ 100	Mitsubishi Corp	12½	'91 May	116¼	8.35		10.75
$ 100	Mitsubishi Estate	11⅞	'88 Mar	105¼	8.51		11.16
$ 100	Mitsubishi Fin(hk)x/w	12¾	'89 Nov	109½	9.56		11.64
$ 100	Mitsubishi Finance	11⅜	'88 Jun	107	9.23		10.63
$ 100	Mitsubishi Metal X/w	7⅛	'89 Nov	96	8.95		8.08
$ 50	Mitsui Finance Asia	11½	'90 Mar	105¾	9.41		10.86
$ 100	Mitsui Finance Asia	12¾	'90 Jun	112¾	8.63		11.30
$ 100	Mitsui Trust Fin (hk)	12⅞	'89 Nov	112¾	8.43		11.43
$ 100	Mitsui Trust Fin (hk)	12	'91 Feb	116½	9.12		10.86
$ 100	Nippon Credit Bank	13⅝	'89 Jul	114½	8.38		12.12
$ 80	Nippon Credit Bank	15¼	'89 Aug	115¼	9.46		13.21
$ 100	Nippon Credit Bank	11½	'90 May	108½	8.38		10.14
$ 100	Nippon Credit Bank	11	'90 Aug	109	8.29		11.01
$ 100	Nippon Credit Bank	11⅞	'90 Mar	112	8.50		10.60
$ 150	Nippon Credit Bank	8½	'91 Apr	101	8.23		8.42
$ 100	Nippon Credit Bank	12½	'91 Jan	102¾	12.14		12.53
$ 100	Nippon Credit Bank	11¼	'93 Feb	113½	8.51		9.91
$ 100	Nippon Credit Bank	10⅞	'95 Jul	110	8.73		9.43
$ 100	Nippon Credit Bank	11⅛	'95 Nov	117	8.70		9.49
$ 100	Nippon Kokan Kabushik	13⅜	'91 Sep	111½	10.19		11.77
$ 50	Nippon Telegra Teleph	8⅛	'87 Mar	100	8.04		8.13
$ 50	Nippon Telegra Teleph	10⅛	'90 Jan	103½	8.93	8.65	9.78
$ 100	Nippon Telegra Teleph	11⅝	'90 Feb	108¾	8.27		10.70
$ 100	Nippon Telegra Teleph	12¾	'91 Aug	118¼	8.29		10.78
$ 100	Nippon Telegra Teleph	11¼	'92 Feb	112¼	9.10		10.02
$ 50	Nippon Yusen Kabushi	13½	'89 Aug	111½	9.15		12.11
$ 70	Nissho Iwai Corp X/w	6⅛	'89 Feb	93½	9.21		6.55
$ 100	Nomura Securities X/w	6⅛	'88 Nov	93¾	9.44		6.70
$ 50	Obayashi-Gumi X/w	7⅛	'89 Apr	95½	9.40		8.12
$ 50	Omron Tateisi Ele X/w	7¼	'89 Apr	95½	9.28		7.89
$ 50	Saitama Intl (hk)	11⅛	'90 Mar	105½	9.36		10.80
$ 50	Sanwa Intl Finance Hk	11⅝	'89 Dec	107½	10.47		11.35
$ 150	Sanwa Intl Finance Hk	12¼	'90 Sep	108½	9.84		11.41
$ 150	Sanwa Intl Finance Hk	11⅝	'92 Jun	112¾	8.98	8.54	10.58
$ 100	Sanwa Intl Finance Hk	11½	'92 Jun	113⅛	8.66		10.14
$ 50	Seino Transport X/w	6⅝	'89 Mar	93½	9.57		7.26
$ 50	Shikoku Electr Power	12¾	'89 Jan	108¼	8.51		10.39
$ 100	Sony Corporation X/w	7¾	'90 Jan	103½	8.80		8.15
$ 50	Sumitomo Construc X/w	7¾	'92 Apr	93½	10.22		8.82
$ 100	Sumitomo Finance Asia	15½	'89 Jul	117½	8.89		13.19
$ 150	Sumitomo Finance Asia	10⅞	'90 Jan	108½	8.05		10.02
$ 150	Sumitomo Finance Asia	15⅝	'91 May	116½	8.51		10.94
$ 150	Sumitomo Finance Asia	11¾	'92 Mar	114¾	8.52		10.28
$ 100	Taiyo Kobe Finance Hk	12	'94 Mar	116	9.16		10.71
$ 100	Tohoku Electric Power	12⅞	'89 Sep	118½	8.23		11.03
$ 100	Tokai Asia Ltd	12⅞	'91 Feb	111½	9.89		10.99
$ 100	Tokai Asia Ltd	11⅛	'95 May	116¼	8.91		9.95
$ 50	Tokyo Metropolis	12⅝	'94 Jul	117½	9.26		10.80
$ 50	Toray Industries X/w	10⅝	'87 Mar	104½	1.85		9.82
$ 100	Yamaichi Intl	11⅞	'91 Dec	111	8.76		10.35
$ 100	Yasuda Trust Finance	12¾	'89 Apr	108	9.06		11.46
	MEXICO						
$ 40	Mexico	8½	'87 Mar	97	12.57	12.61	8.76
$ 30	Mexico	8⅝	'91 Dec	85½	12.49	13.36	10.23
$ 175	Mexico	18¼	'97 Jul	105	17.42		17.62
$ 75	Comision Fed Electric	13	'87 Nov	98½	14.06		13.20
$ 75	Pemex Petroleos Mexic	17⅛	'86 Nov	100¾	14.78		17.37
$ 125	Pemex Petroleos Mexic	11½	'88 Jul	94	15.01	15.59	12.22
	MISCELLANEOUS						
$ 75	Develop Bk Singapore	15½	'89 Aug	104½	13.61		14.83
	NETHERLANDS						
$ 50	Aegon	11¾	'91 Feb	106	10.18		11.20
$ 75	Aegon	10⅛	'92 Sep	105	9.15		9.76
$ 100	Amev Nv	10⅜	'92 Oct	107¼	8.72		9.63
$ 200	Amro Bank	13	'89 Nov	112	8.75		11.61
$ 125	Amro Bank	10⅝	'90 Aug	104½	9.38		10.21
$ 40	Dsm Dutch State Mines	8⅛	'87 Jun	99½	8.75	8.78	8.20
$ 50	Dsm Dutch State Mines	8¾	'88 Aug	99¾	9.12	9.18	8.81
$ 50	Dsm Dutch State Mines	11⅝	'91 Mar	108¼	9.15		10.73
$ 60	Ennia Nv	15⅛	'87 May	106½	7.89		14.55
$ 100	Holland Airlines Fin	12¾	'91 May	107½	10.24		11.86
$ 75	Nederlandse Gasunie	10⅝	'88 Apr	106	6.74		10.02
$ 100	Nederlandse Gasunie	11¼	'90 Oct	109¾	8.54		10.27
$ 75	Nederlandse Gasunie	11⅛	'91 May	108¾	9.47		10.64
$ 200	Philips Gloeilampe X/w	6¾	'88 Jul	94½	9.37		7.14
$ 100	Philips Gloeilampen	8⅝	'96 Mar	102½	8.29		8.41
$ 50	Rabobank Nederland	11⅛	'91 Mar	108¾	8.05		10.79
$ 75	Shell Intl Finance	8	'86 Dec	100½	6.83	4.83	7.96
$ 70	Shell Intl Finance	7¾	'87 Jun	100½	6.16	6.16	7.44
$ 300	Shell Intl Finance	7⅛	'87 Mar	100½	7.26		7.21
$ 300	Shell Intl Finance	8½	'90 Feb	102¾	8.22		8.12
$ 50	Thyssen Bv Finance	10⅞	'90 Jul	104½	8.78		10.51
$ 150	Unilever Capital Corp	9⅜	'92 Nov	107	8.41		9.23
$ 150	Unilever Capital Corp	8⅛	'96 Mar	101¼	8.49		8.77
$ 100	Unilever Nv	9¾	'90 Jul	101⅝	9.17	8.72	9.57
	NEW ZEALAND						
$ 100	New Zealand	8⅝	'86 Dec	100½	7.07		8.21
$ 150	New Zealand	8⅛	'93 Apr	99¼	8.37		8.19
$ 200	New Zealand	14⅝	'95 Jul	106¾	9.14		9.61
$ 150	New Zealand	10⅛	'00 Jul	107	9.32		9.63
$ 50	Bank Of New Zealand	11⅛	'93 Mar	107¼	9.44		10.41
$ 100	Fletcher Chall Financ	9⅝	'93 Mar	103½	9.03		9.42
	NORWAY						
$ 15	Bergen City	8	'87 Apr	100	7.95	7.95	8.00
$ 50	Den Norske Creditbank	13	'90 May	114¼	8.40		11.38
$ 50	Den Norske Creditbank	11¼	'93 May	107¼	9.77		10.49
$ 50	Eksportfinans	9	'86 Sep	100½	7.82	7.03	8.96
$ 75	Eksportfinans	9½	'87 Jul	101	8.49	7.58	9.41
$ 75	Eksportfinans X/w	13¾	'87 Sep	106¾	7.61		12.43
$ 100	Eksportfinans	9¼	'88 Apr	104	8.53	7.78	9.19
$ 100	Eksportfinans	11½	'90 Feb	108	8.79		10.65
$ 100	Eksportfinans	11¾	'92 Mar	112	8.82		10.04
$ 100	Eksportfinans	11	'96 Jun	106¾	9.33	8.73	10.30
$ 50	Norges Kommunalbank	7⅞	'90 Jan	101¾	8.96	8.71	7.77
$ 50	Norges Kommunalbank	8¾	'91 Dec	101¼	8.39	8.58	8.40
$ 75	Norges Kommunalbank	8¾	'92 May	101¼	8.39	8.70	8.64
$ 50	Norpipe	8½	'87 Mar	100¼	8.13		8.48
$ 50	Norsk Hydro	7¾	'91 Feb	101⅛	8.02		8.55
$ 60	Norsk Hydro	9	'91 Sep	101½	8.96		8.87
$ 50	Norsk Hydro	8½	'92 Jun	100½	8.43	8.36	8.46
$ 100	Norsk Hydro	12¾	'92 Nov	111	8.39	9.55	11.49
$ 50	Norsk Hydro	10	'93 Aug	105¾	8.61	8.51	9.46
$ 50	Norsk Hydro	9¼	'94 Jan	101	9.05	8.96	9.16
$ 30	Norsk Hydro	8	'96 Apr	98	8.33		8.16
$ 40	Oslo City	8	'88 Mar	101¼	8.12	7.88	8.00
$ 50	Saga Petroleum	11½	'95 Nov	102¼	11.08		11.25
$ 100	Statoil Den Norske	12	'88 Apr	107¾	7.62		11.14
$ 100	Statoil Den Norske	7	'88 Apr	97¾	7.93		7.18
$ 150	Statoil Den Norske	13¼	'89 Jul	105½	8.58		12.16
$ 100	Statoil Den Norske	11⅝	'89 Aug	107¼	8.95		10.84
$ 175	Statoil Den Norske	10	'90 Aug	107½	8.55	8.53	9.46
$ 225	Statoil Den Norske	9⅝	'96 Jan	102½	8.86		9.04
	SOUTH AFRICA						
$ 25	South Africa	7¾	'87 Dec	96¼	10.43	10.58	8.05
$ 50	Anglo American Corp	7½	'87 Mar	98¾	9.73	9.91	7.63
$ 75	Escom Electr Supply	11½	'88 Jun	102¾	9.92		11.19
$ 75	Escom Electr Supply	12¾	'91 Feb	107¼	11.43		11.92
$ 100	Escom Electr Supply	11½	'91 Jul	98¼	11.96		11.70
	SPAIN						
$ 100	Spain	15¼	'87 Apr	106¾	7.12		14.75
$ 20	Autopistas	7	'87 Jul	99¼	7.23	7.24	7.02
$ 20	Ini Institut Nac Indu	8	'87 Oct	100¼	7.74	7.63	7.98
$ 15	Petronor	8½	'86 Dec	100¼	7.91	7.51	8.48
$ 15	Petronor	7¾	'88 Jan	99¼	8.57	8.96	7.85
	SUPRANATIONAL						
$ 75	Asian Develop Bank	8⅝	'86 Aug	100⅝	4.09		8.56
$ 100	Asian Develop Bank	11⅛	'93 Nov	112¼	9.28		10.42
$ 75	Council Of Europe	11	'90 May	108½	8.45		10.14
$ 150	Council Of Europe	9⅜	'96 Feb	104⅝	8.68		8.98
$ 50	Ecs Euro Coal & Steel	14⅛	'87 Mar	106¾	6.51		12.97
$ 75	Ecs Euro Coal & Steel	8⅛	'89 Oct	99⅜	8.31	8.33	8.27
$ 75	Ecs Euro Coal & Steel	11⅝	'90 Aug	113	8.07		10.51
$ 150	Ecs Euro Coal & Steel	9⅛	'91 Jul	101⅛	8.93	8.88	7.14
$ 25	Ecs Euro Coal & Steel	9	'93 Apr	102¼	8.94	8.93	8.98
$ 50	Ecs Euro Coal & Steel	9	'95 Jan	98¾	8.96	8.94	8.98
$ 100	Ecs Euro Coal & Steel	9⅜	'96 Jan	104½	8.45	8.53	8.97
$ 75	Ecs Euro Coal & Steel	8⅝	'97 Oct	98¾	8.97	9.04	8.91
$ 100	Ecs Euro Coal & Steel	9¼	'98 Apr	100¼	9.21	9.20	9.23
$ 25	Ecs Euro Coal & Steel	9	'99 Jan	99¾	9.09	9.11	9.07
$ 250	Eec Europ Econom Com	11	'87 Jul	103¾	7.36		10.60
$ 250	Eec Europ Econom Com	9⅛	'90 Jul	104¼	8.29		9.21
$ 150	Eec Europ Econom Com	8⅝	'91 Feb	102	8.08		8.46
$ 65	Eec Europ Econom Com	14⅝	'93 Apr	108½	12.80	11.88	13.59
$ 100	Eec Europ Econom Com	12	'93 Oct	118	8.57		10.17
$ 50	Eec Europ Econom Com	12	'93 Dec	112⅝	9.33		10.54
$ 200	Eec Europ Econom Com	11½	'95 Jun	118¼	9.47	8.49	10.43
$ 75	Eec Europ Econom Com	10⅝	'95 Nov	106¾	9.57	8.95	10.07
$ 75	Eec Europ Econom Com	11	'95 May	104¾	10.17	9.75	10.50
$ 70	Eec Europ Econom Com	11	'95 Aug	104¾	9.52	8.62	10.11
$ 100	Eec Europ Econom Com	9⅛	'96 Feb	105½	8.29		8.65
$ 50	Eib Europ Invest Bank	8¼	'87 Apr	100¾	7.25		8.19
$ 50	Eib Europ Invest Bank	9¼	'87 Jul	101¾	8.96		9.48
$ 50	Eib Europ Invest Bank	7¼	'87 Oct	99¼	7.48	7.50	7.27
$ 75	Eib Europ Invest Bank	7	'87 Dec	98¼	8.28	8.32	7.12
$ 100	Eib Europ Invest Bank	12¾	'88 Jan	107½	7.41		11.86
$ 100	Eib Europ Invest Bank	8⅜	'88 Feb	101¼	7.43		8.40
$ 100	Eib Europ Invest Bank	11	'88 Jun	100⅝	10.56		10.92
$ 50	Eib Europ Invest Bank	8⅝	'88 Sep	100¼	8.59		8.73
$ 30	Eib Europ Invest Bank	8½	'88 Dec	100½	8.35		8.48
$ 150	Eib Europ Invest Bank	15⅛	'89 Mar	116¼	8.47	8.65	13.33
$ 75	Eib Europ Invest Bank	7⅝	'89 May	102½	8.25		9.54
$ 50	Eib Europ Invest Bank	7⅞	'89 Feb	97¼	8.37	8.71	7.21
$ 100	Eib Europ Invest Bank	12⅝	'90 Apr	114¾	8.89		10.94
$ 100	Eib Europ Invest Bank	13¾	'90 May	101¾	13.15		13.51
$ 100	Eib Europ Invest Bank	9	'90 Sep	101¼	8.62		8.89
$ 200	Eib Europ Invest Bank	11½	'90 Dec	112	8.20		10.27
$ 100	Eib Europ Invest Bank	9⅝	'91 Feb	101¼	9.26		9.51
$ 125	Eib Europ Invest Bank	11	'91 Mar	111¼	8.05		9.89
$ 30	Eib Europ Invest Bank	9¾	'91 Oct	103¾	8.75		9.40
$ 100	Eib Europ Invest Bank	16¼	'91 Nov	113	13.18		14.82
$ 80	Eib Europ Invest Bank	11¾	'92 Jan	105½	10.38		11.14
$ 50	Eib Europ Invest Bank	8⅝	'92 Apr	99¾	8.71		8.82
$ 100	Eib Europ Invest Bank	15½	'92 Jul	115	11.89		13.48
$ 150	Eib Europ Invest Bank	10⅛	'92 Oct	107	8.75		9.58
$ 50	Eib Europ Invest Bank	8¾	'93 Feb	99¾	8.89		8.82
$ 200	Eib Europ Invest Bank	10⅜	'93 May	109	8.56		9.86
$ 100	Eib Europ Invest Bank	9⅝	'93 Jul	101¾	8.90	8.72	9.02
$ 142	Eib Europ Invest Bank	11⅞	'93 Oct	116	8.47		10.06
$ 100	Eib Europ Invest Bank	12⅝	'94 Apr	122¾	8.62		10.41
$ 200	Eib Europ Invest Bank	10¾	'94 Nov	109½	8.77		9.45
$ 200	Eib Europ Invest Bank	12	'95 Apr	119¼	8.77		10.05
$ 200	Eib Europ Invest Bank	13	'96 Aug	126¾	9.70	8.73	10.77
$ 40	Eurofima	8⅝	'88 Jan	99¾	8.96	9.19	8.56
$ 25	Eurofima	7⅛	'88 Feb	98½	8.60	9.03	7.63
$ 30	Eurofima	8⅜	'89 Jan	99¾	8.79	8.96	8.56
$ 75	Eurofima	12⅝	'89 Oct	112¼	8.15		11.14
$ 150	Eurofima	12½	'91 May	116¼	8.33		10.75
$ 100	Eurofima	10	'95 Jul	108	8.69		9.26
$ 100	Eurofima	9⅜	'96 Mar	106	8.62		8.89
$ 55	Inter-American Dev Bk	15⅛	'87 Dec	115¾	9.12		13.07
$ 150	Inter-American Dev Bk	12⅝	'91 Nov	117½	8.56		10.74
$ 150	Inter-American Dev Bk	11	'92 Dec	108½	9.44	9.27	10.14
$ 150	Inter-American Dev Bk	10⅝	'95 Sep	117¼	8.52		9.25
$ 250	Inter-American Dev Bk	9⅝	'95 Dec	105¾	8.74		9.14
$ 75	Nordic Investment Bk	11¾	'88 Oct	105½	7.26		11.14
$ 75	Nordic Investment Bk	12¼	'88 Feb	108½	7.31		11.31
$ 75	Nordic Investment Bk	13⅛	'89 May	112½	8.89		11.67
$ 75	Nordic Investment Bk	11⅝	'90 Nov	104½	9.84		11.03
$ 200	World Bank	16⅜	'86 Nov	105	1.51		15.71
$ 200	World Bank	14⅛	'87 May	105¾	7.11		13.48
$ 200	World Bank	16⅝	'87 Jun	115	9.18		10.15
$ 250	World Bank	15	'87 Aug	101	7.56		13.89
$ 150	World Bank	13¾	'87 Oct	105	7.49		12.38
$ 250	World Bank	15⅛	'88 Mar	111¼	7.78		13.65
$ 100	World Bank	10⅝	'88 Jun	104	7.37		10.08
$ 80	World Bank	14	'88 Apr	109	10.60	8.93	14.88
$ 150	World Bank	15	'88 Aug	113¾	7.84		13.19
$ 100	World Bank	11⅛	'88 Aug	109¾	7.74		10.54
$ 100	World Bank	11⅜	'88 Sep	112½	7.94		10.64
$ 200	World Bank	11⅛	'89 Feb	108¼	7.80		10.51
$ 200	World Bank	10⅝	'90 Jan	106⅛	7.97		10.00
$ 150	World Bank	11⅛	'90 Aug	111½	8.13		10.31
$ 200	World Bank	11⅛	'90 Oct	111⅛	8.08		10.11
$ 300	World Bank	11	'92 Feb	111⅛	8.36		9.87
$ 150	World Bank	10⅝	'93 Apr	112¼	8.19		9.57
$ 300	World Bank	12	'93 Sep	118¾	8.45		10.12
$ 200	World Bank	13⅜	'94 Sep	125¾	8.62		10.63
$ 200	World Bank	12¼	'94 Nov	122¾	8.45		10.02
$ 150	World Bank	11½	'95 Jul	115¼	8.31		9.70
$ 300	World Bank	11⅛	'95 Jan	117¾	8.63		9.45
$ 100	World Bank	9¾	'95 Oct	108	8.87		9.03
$ 300	World Bank	9⅛	'16 Mar	107	8.59		8.64
	SWEDEN						
$ 150	Sweden	14½	'88 Dec	114¼	7.98		12.68
$ 200	Sweden	12⅝	'89 Apr	111	7.98		11.15
$ 150	Sweden	11½	'89 Dec	110	8.30		10.45
$ 200	Sweden	10⅝	'90 May	108¾	8.12		9.98
$ 250	Sweden	10⅛	'92 Nov	109	8.37		9.40
$ 100	Sweden	11⅝	'94 Dec	114¼	9.34		10.28
$ 200	Sweden	8⅝	'96 Mar	102¼	8.38		8.55
$ 25	Aga Ab	9⅛	'88 Jan	100⅛	9.10	8.96	9.23
$ 30	Electrolux	10⅝	'88 Jun	104¼	9.03		10.02
$ 150	Electrolux	7⅞	'93 May	93¾	8.66		8.13
$ 30	Ericsson Lm	8⅛	'89 Apr	99¾	8.79	8.81	8.56
$ 30	Ericsson Lm	9⅛	'91 Sep	100¾	9.17	9.18	9.23
$ 100	Forsmarks Kraftgrupp	8⅝	'91 Feb	101¾	8.27		8.60
$ 75	Forsmarks Kraftgrupp	12¾	'92 Oct	100¾	11.82	11.88	12.72
$ 40	Gotaverken	8⅛	'87 Sep	99¼	7.86	7.85	8.38
$ 30	Gothenburg City	8⅛	'87 Dec	99¾	8.66		8.77
$ 15	Graengesberg	6⅝	'87 Oct	98¾	7.69	8.25	6.84
$ 15	Graengesberg	8⅛	'89 Feb	99¾	8.79	8.94	8.56
$ 35	Modo Mo Och Domsjo	9	'86 Oct	100¾	6.75		8.93
$ 75	Pkbanken Post-Och	13¾	'87 Jul	105¾	8.53		13.03
$ 75	Pkbanken Post-Och	12	'88 Nov	105¾	10.15		11.29
$ 50	Saab-Scania	8⅛	'89 Apr	100¾	8.27		8.68
$ 50	Saab-Scania	9⅛	'91 Feb	100	8.68		9.22
$ 125	Scandinavian Airlines	10⅛	'95 Nov	102¾	9.30		9.46
$ 30	Scanraff	8⅛	'88 Oct	99¼	8.55	8.56	8.69
$ 30	Scanraff	7⅛	'90 Oct	96¼	8.51	8.95	7.79
$ 100	Skandi Enskilda Bank	11½	'88 Mar	106	7.75		10.85
$ 30	Skf A/b	8	'87 Jan	100½	7.47	7.47	7.98
$ 25	Sodra Skogsagarna	9½	'86 Dec	100⅝	7.87	7.98	9.43
$ 30	Sparbankernas Bank	8⅝	'88 Jan	99¾	8.89	8.93	8.77
$ 15	Sveriges Invest Bank	7⅝	'87 Nov	98½	8.66	9.11	7.85
$ 100	Swedish Export Credit	11½	'89 Feb	105¾	7.92		10.62
$ 100	Swedish Export Credit	15⅛	'89 Mar	106¾	12.30		14.23
$ 112	Swedish Export Credit	14⅛	'90 Jan	110¾	11.14		12.88
$ 100	Swedish Export Credit	14⅛	'90 May	110¾	11.20	9.51	12.88
$ 200	Swedish Export Credit	8⅝	'91 Mar	101½	8.13		8.48
$ 100	Swedish Export Credit	9	'92 May	102½	8.34		8.78
$ 100	Swedish Export Credit	9⅛	'93 Feb	100¾	8.72		9.50
$ 100	Swedish Export Credit	7⅞	'93 Oct	98	8.25	8.72	8.07
$ 100	Swedish Export Credit	10⅝	'95 Oct	108	9.15		10.00
$ 50	Swedish State Co	15⅛	'87 Jan	105¾	6.94		14.38
$ 15	Sydsvenska Kraft	9⅛	'86 Sep	100¼	6.41	4.44	9.11
$ 35	Volvo	7½	'87 Mar	99½	7.57		7.58
$ 25	Volvo	8	'87 Sep	100¼	7.73	7.69	7.98
$ 30	Volvo	7⅝	'88 Aug	98¼	7.58		7.89
$ 100	Volvo	11	'88 Aug	100¾	10.62		10.93
$ 150	Volvo	10½	'90 Jun	106	8.68		9.91
	SWITZERLAND						
$ 100	Credit Suisse Bahamas	10½	'89 Dec	107¼	7.88		9.74
$ 150	Credit Suisse Bahamas	10⅛	'90 Mar	104¼	7.88		9.70
$ 150	Credit Suisse Bah W/w	7	'90 Jan	97¾	10.30		3.65
$ 150	Credit Suisse Bah X/w	7	'90 Jan	95½	7.45		7.31
$ 40	Pirelli Intl W/w	6⅛	'98 Jan	178¾	10.32		3.96
$ 100	Soc Gen Surveilla W/w	3	'96 Jun	106	2.32		2.83
$ 250	Swiss Bank Corp O/s	10¼	'90 Jun	104¾	8.79		9.00
$ 100	Swiss Bank Corp W/w	5½	'92 Dec	125¼	1.43		4.39
$ 100	Swiss Bank Corp W/w	6¾	'93 Jun	108¾	3.65		3.46
$ 100	Swiss Bank Corp X/w	6⅛	'93 Jan	91¾	7.82		4.81
$ 75	Swiss Volksbank W/w	6⅝	'90 Oct	164¼	3.96		3.95
$ 200	Union Bk Switzerland	10⅝	'87 Nov	103¾	7.86		10.24
$ 100	Union Bk Switzerland	11	'88 Nov	107¾	8.96		9.83
$ 150	Union Bk Switzerland	11	'89 Nov	107⅝	9.61		10.60
$ 100	Union Bk Switzerland	12⅞	'91 Jun	117½	10.20		11.37
$ 100	Union Bk Switzerl W/w	6	'92 Nov	126¾	.09		4.74
$ 300	Union Bk Switzerl W/w	5⅞	'90 Feb	106½	4.35		5.16
	UNITED KINGDOM						
$ 75	Allied Lyons	11⅝	'91 Feb	110¾	8.84		10.54
$ 250	Barclays Bank Finance	10⅛	'90 Aug	105¾	8.43		9.57
$ 250	Barclays Bank Finance	10⅝	'93 Dec	111	8.85		9.57
$ 30	Barclays Bank Intl	8⅛	'86 Dec	100¼	7.57	7.58	8.23
$ 100	Bat Intl Finance	11	'89 Dec	108¼	8.23		10.17
$ 30	Bicc Finance	7⅝	'87 Feb	100¼	7.26	7.27	7.73
$ 30	Bowater Corp	9⅛	'86 Jul	100¼	7.44		9.23
$ 50	Bowater Corp	9¼	'92 May	100¼	9.19	9.13	9.23
$ 16	British Land Intl	8	'87 Nov	99¼	8.52	8.85	8.06
$ 100	British Oxygen Financ	10⅝	'90 Jul	104¼	9.74		10.41
$ 100	British Oxygen Financ	11⅝	'93 Jun	113¼	9.49		10.12
$ 100	British Petrol Capita	11⅛	'92 Feb	107	9.45		10.40
$ 50	British Petrol Capita	9⅝	'93 Jan	103	8.99		9.34
$ 100	British Petrol Capita	9¼	'94 Mar	99	9.30		9.22
$ 30	British Steel Corp	8⅛	'89 Jan	100¾	8.52	8.51	8.41
$ 125	Brltoil Finance	11⅞	'90 Oct	106	10.07		11.20
$ 30	Cadbury Schweppes O/s	7⅝	'86 Oct	99¾	8.22	8.31	7.89
$ 30	Capital Counties Prop	9	'86 Nov	100⅛	8.38	8.03	8.99
$ 35	Coventry Intl	9⅛	'87 Dec	100¾	8.59	8.53	8.98
$ 30	Commercial Union	9¾	'89 Nov	101¼	9.30	8.95	9.63
$ 50	Emi Finance	9⅛	'89 Apr	101	8.83	8.74	9.16
$ 75	Finance For Industry	11	'88 Feb	104¾	7.96		10.53
$ 50	Finance For Industry	15⅛	'89 Jul	117¾	8.44		13.01
$ 50	Fisons Intl Finance	8⅛	'92 Aug	100¾	8.48	8.44	8.73
$ 50	Grand Metrop Hotels	7½	'87 Dec	98¼	8.78	9.31	7.63
$ 50	Guardian Royal Exchan	9⅛	'88 Jul	100¼	8.72	9.21	9.11
$ 15	Gus International	9½	'89 Apr	101¼	8.76	8.48	9.34
$ 25	Hambros	9⅛	'89 Jun	99¾	8.51	8.43	7.81
$ 100	Hammerson Property	12	'87 Oct	107¼	9.80		11.19
$ 100	Hill Samuel Group	8½	'94 Nov	101¼	6.45	4.67	8.44
$ 100	Hawker Sidd Finan X/w	9¾	'91 Jun	101¼	9.18	8.92	9.38
$ 100	Ici Finance X/w	9⅜	'90 Jun	99¾	8.80		9.49
$ 100	Ici Intl Finance	8⅛	'87 Jan	99¼	8.55	8.55	8.27
$ 100	Ici Intl Finance	9⅛	'89 Feb	95¼	9.83	9.42	9.87
$ 100	Investors In Industry	12	'91 Aug	109			11.01
$ 25	Kleinwort Benson Lons	8⅛	'87 May	99¾	8.36	9.09	8.49
$ 50	Legal General Assur	7⅛	'88 Feb	98¾	7.36	7.80	7.36
$ 100	Lloyds Eurofinance	11½	'94 Dec	112¾	10.09	9.72	10.82
$ 40	Lonrho Intl Finance	12	'88 Jul	105¾	11.27		11.85
$ 15	Metropol Estate	8¾	'86 Dec	100¾	7.04	7.85	8.83
$ 25	Metropol Estate	8	'91 Feb	97¼	8.72	9.17	8.19
$ 50	Midland Intl Finance	8⅝	'92 Sep	98¼	9.11	9.31	8.71
$ 150	Midland Intl Finance	11½	'92 Dec	111¾	9.00		10.30
$ 100	Montagu Placements	13⅝	'91 Aug	114¾	10.07		12.13
$ 100	National Coal Board	8	'87 Jun	100¾	8.16	8.19	8.02
$ 50	National Coal Board	8⅝	'88 Oct	99¼	8.74	8.74	8.65
$ 30	Natl-Grindlays Bank	7⅝	'87 Nov	99¼	9.02	9.25	7.69
$ 100	Natl Westminster Fin	14⅝	'91 Dec	124¾	8.97		11.87
$ 150	Natl Westminster Fin	11¾	'92 Nov	114¾	8.71		10.27
$ 75	Rank Organisation	8⅝	'86 Nov	100¾	7.35	7.34	8.71
$ 40	Rio Tinto-Zinc Financ	9	'92 Aug	98¾	9.37	9.45	9.14
$ 100	Rio Tinto-Zinc Financ	11⅛	'93 Nov	113½	9.07		10.26
$ 75	Royal Intl Finance	11⅛	'93 Nov	108½	10.17		10.94
$ 50	Scotland Intl Finance	15⅛	'89 May	120⅝	8.20		9.93
$ 50	Scotland Intl Finance	14⅛	'96 Jun	118⅛	11.14		12.05
$ 50	Selection Trust	8⅛	'87 Aug	100⅝	8.48	8.65	8.74
$ 20	Slough Estates Fin	8	'88 Feb	98½	9.72	9.59	8.14
$ 15	Town City Nederland	8	'88 Jan	99½	8.46	8.47	8.46
$ 100	Trafalgar House Plc	7	'91 Mar	107¼	8.56		8.84
$ 50	Us Finance	13⅛	'94 Aug	123¾	9.84	9.51	10.60
$ 20	United Biscuits Intl	9	'89 May	99¼	9.30	9.29	9.07
$ 25	United Dominions Trus	9⅞	'88 Dec	99¼	9.26	9.18	8.82
$ 25	Wellcome Foundation	8⅛	'87 Jun	99¼	9.36	9.43	8.21
$ 25	Williams Glyns Bank	8⅛	'87 Sep	99¼	9.08	9.17	8.21
$ 150	Williams Glyns Nederl	11	'93 Jun	107¼	9.54	9.31	10.26

UNITED STATES AMERICA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 100	Alaska Housing Fin Co	11⅞	'94 Feb	106	10.55	10.51	11.08
$ 40	Amerada Hess X/w	6⅛	'95 Jan	92¼	8.08	9.30	6.83
$ 150	American Express Cred	12⅝	'88 Oct	120	8.25		11.35
$ 100	American Express Cred	12¾	'90 May	108	8.41		10.07
$ 75	American Express O/s	11¼	'89 Nov	123¼	11.95		12.54
$ 100	American Express O/s	9⅛	'90 Apr	104¼	8.24		9.44
$ 56	American Foreign Pwr	4⅛	'87 Jan	98½	7.86		4.89
$ 50	American Foreign Pwr	5	'30 Mar	52¾	9.63		9.48
$ 150	American General Corp	8½	'88 Apr	99	8.43		8.59
$ 100	American Intl Group	13⅝	'90 Apr	125½	8.86		10.84
$ 125	American Savings Intl	13	'89 Apr	106	9.48		11.32
$ 100	American Savings Intl	12¼	'89 May	106	9.81		11.56
$ 300	American Tel & Tel	9	'16 Mar	100¾	8.97		8.98
$ 250	Amoco Co	9⅛	'16 Mar	101½	9.89		9.61
$ 150	Anheuser-Busch Co	11⅛	'93 May	110	9.13		10.11
$ 75	Arizona Ps Co	12½	'92 Feb	113	9.43		11.06
$ 60	Arizona Ps Finance	12⅝	'90 Jan	123	10.44		11.41
$ 25	Ashland Oil Finance	8	'87 Jun	100¼	7.72	7.28	7.98
$ 150	Associates Corp Usa	11½	'92 Aug	104¼	9.54		10.87
$ 100	Astra	14⅛	'92 Feb	112½	12.41		14.09
$ 200	Atlantic Richfield Co	9⅞	'93 Mar	99⅞	9.19		9.16
$ 250	Atlantic Richfield Co	11¾	'08 Jul	124⅜	9.48		9.83
$ 200	Atlantic Richfield Cs	12⅝	'90 May	103¾	11.09		12.77
$ 0	Atlantic Richfield Cs	13⅝	'91 May	125¼	11.94		13.80
$ 15	Bangor Punta Intl	5	'88 Jul	99	12.54		6.02
$ 300	Bank Of America	12	'87 Apr	107¾	8.56		11.48
$ 250	Bank Of America	8	'88 Mar	97½	9.54		8.21
$ 100	Bankamerica O/s	13⅛	'90 Sep	100	10.27		10.35
$ 150	Bankers Trust Ny	7⅞	'89 Oct	111	8.71		11.37
$ 100	Bankers Trust Ny	11⅝	'90 Mar	126½	8.93		10.42
$ 60	Bear Stearns Co	13	'89 Sep	107⅛	10.08		12.06
$ 100	Beneficial O/s Financ	11	'91 Feb	107⅛	9.43		10.06
$ 200	Belawest Properti Inc	10⅝	'92 Dec	106	9.41		9.67
$ 150	Belawest Properti Inc	7⅝	'93 Jun	94⅛	8.89		8.22
$ 20	Blue Bell Intl	7¾	'87 Oct	99½	9.09	9.08	7.81
$ 50	Boise Cascade Corp	12	'92 Jan	109¾	9.77		10.98
$ 150	Borden Inc	12¾	'92 Oct	108¾	7.67		11.79
$ 150	Boston Intl Finance	14⅛	'89 Jan	112⅛	9.82		12.58
$ 20	Burlington O/s	7⅛	'87 Apr	98¾	9.28	9.31	7.45
$ 100	Campbell Soup Co	10⅞	'95 Sep	119	9.01		9.43
$ 100	Campbell Soup Co	7½	'88 Apr	93½	8.38		8.02
$ 25	Carrier Intl	8	'87 Jun	99¾	9.29	9.87	8.10
$ 100	Cbs Inc	11⅞	'92 Dec	107¾	9.78		10.66
$ 100	Chesebrough-Ponds	12⅞	'91 Oct	125⅛	9.87		9.93
$ 100	Chesebrough-Ponds	12	'93 Jan	104¾	9.90		10.93
$ 400	Chevron Capital	12¼	'89 Oct	105	10.36		11.67
$ 300	Chevron Corp	8⅞	'96 Apr	91¼	9.66		9.04
$ 300	Chrysler Financial Co	10⅝	'91 Nov	105¼	9.46		10.38
$ 100	Chrysler Financial Co	13⅛	'92 Nov	100⅞	9.43		10.32
$ 150	Chrysler Financial Co	12⅝	'94 Nov	113¼	10.76		11.78
$ 200	Citicorp	10	'88 Aug	104	7.95		9.62
$ 150	Citicorp	9⅛	'89 Jan	102⅛	8.34		9.27
$ 150	Citicorp	8	'93 May	95	8.99		8.42
$ 150	Citicorp	11⅛	'95 Jun	107¾	10.17		10.69
$ 200	Citicorp	13⅛	'95 Jul	102¾	9.99		10.25
$ 200	Citicorp	10	'96 Feb	102¾	9.56		9.74
$ 125	Citicorp O/s Finance	11.30	'88 Mar	113¾	8.85		10.89
$ 100	Citicorp O/s Finance	10⅜	'90 May	103	9.43		10.07
$ 100	Citicorp O/s Finance	11¾	'90 Oct	105	10.23		11.19
$ 100	Citicorp O/s Finance	11¾	'92 Feb	107	10.04		10.98
$ 200	Citicorp O/s Finance	11¾	'97 Feb	107¼	10.58		10.90
$ 75	City Federal Savings	13⅛	'89 Dec	108½	9.25		11.44
$ 125	Coast Fed Intl Financ	12¼	'88 May	106¼	8.64		11.53
$ 100	Coca-Cola Company X/w	11⅛	'88 Nov	107	7.89		10.53
$ 100	Coca-Cola Company	11⅝	'91 Oct	107	9.51		10.78
$ 100	Coca-Cola Company	9⅝	'92 Nov	106	8.61		9.22
$ 100	Coca-Cola Intl Financ	10⅛	'88 Jan	105¼	7.46		9.85
$ 100	Coca-Cola Intl Financ	12⅝	'89 Aug	110¼	8.88		11.54
$ 100	Coca-Cola Intl Financ	11⅛	'89 Oct	102½	10.77		11.46
$ 100	Coca-Cola Intl Financ	9⅝	'92 Aug	106	8.57		9.32
$ 100	Colgate Palmolive Co	9⅛	'96 Mar	106	8.86		9.13
$ 100	Communical Satellite	11⅛	'95 Feb	111	9.67		10.47
$ 100	Contact Intl	12⅛	'91 May	109¾	9.78		11.21
$ 77	Connecticut Mut Life	10⅛	'90 Sep	102¾	9.29	8.85	9.85
$ 147	Connecticut Mut Life	11	'95 Sep	108¼	9.57	9.34	10.11
$ 50	Consolidated Foods O/s	7⅛	'91 Jan	99⅞	7.68	7.73	7.56
$ 75	Continental Group O/s	11⅛	'93 Aug	104¾	10.51		10.98
$ 75	Crocker National Bank	10⅛	'88 Apr	122¾	8.78		10.22
$ 100	Cox Corporation	11½	'92 Jun	109¾	9.71		10.48
$ 50	Cummins O/s Finance	15⅛	'91 Dec	111½	12.45		13.90
$ 15	Cutler-Hammer	8	'87 Jun	99¾	8.76	9.83	8.06
$ 20	Dana International	8	'87 Mar	99¾	8.27	8.27	8.03
$ 100	Dart & Kraft Finance	10⅛	'96 Jan	105¾	9.28		9.74
$ 85	Dart & Kraft Finance	7⅞	'88 Nov	124¾	5.83		4.71
$ 150	Deere J Credit	11⅜	'95 Mar	107½	9.94		10.65
$ 150	Digital Equipment O/s	11¾	'89 Mar	108½	8.25		10.83
$ 150	Dow Chemical Co	10⅜	'92 Jun	106¾	8.15		9.82
$ 75	Dresser O/s Finance	12⅝	'89 Oct	112	10.43		11.58
$ 200	Du Pont O/s Capital	13⅛	'87 May	106¾	7.34		12.00
$ 200	Du Pont O/s Capital	14⅛	'89 Aug	108¼	12.86		13.44
$ 200	Du Pont O/s Capital	11	'95 Jan	103¼	9.54		10.65
$ 150	Eastman Kodak Co	10⅛	'95 Mar	108⅞	8.77		9.47
$ 150	Eli Lilly & Co	10⅛	'92 Oct	107	8.35		9.40
$ 100	Emerson Elec Co X/w	9⅝	'95 Dec	105¼	8.78		9.16
$ 100	Enserch Finance	11⅞	'93 May	107¾	10.11		10.84
$ 100	Equitable Life Financ	11⅛	'95 Jul	104½	8.96		9.62
$ 105	Equitable-Lord Realty	10⅝	'95 Dec	105½	9.46	9.48	9.85
$ 100	Equitable-Lord Realty	10⅛	'97 Dec	105½	9.67	9.66	9.95
$ 50	Esso O/s Finance Nov	8	'86 Nov	99½	8.39	8.38	8.02
$ 100	Fed Dept Stores	11	'90 Feb	108¾	8.16		10.13
$ 100	Fed Dept Stores	10⅛	'95 Jul	108¼	8.77		9.25
$ 100	First Boston Inc	7⅝	'96 May	92¼	8.96		8.40
$ 125	First Fed Michigan	13⅛	'89 Jul	111¼	8.72		11.91
$ 100	Florida Feder Savings	12⅜	'89 May	108¾	9.87		11.43
$ 100	Fluor Finance	14	'89 Sep	103¼	13.85		13.69
$ 100	Ford Motor Company	10⅛	'93 Aug	105	9.49		10.00
$ 200	Ford Motor Credit Co	7¼	'89 May	97	8.44		7.47
$ 100	Ford Motor Credit Co	11½	'90 Feb	108	8.73		10.53
$ 100	Ford Motor Credit Co	9½	'90 Jul	104¼	8.21		9.11
$ 100	Ford Motor Credit Co	12⅞	'91 Oct	112	9.86		11.50
$ 150	Ford Motor Credit Co	10⅛	'91 Nov	106½	8.91		9.86
$ 100	Ford Motor Credit Co	11⅛	'92 May	109¾	8.99		10.47
$ 100	Ford Motor Credit Co	12	'95 Feb	112¾	9.78		10.60
$ 100	Ford Motor Credit Co	11⅛	'95 Mar	111	9.69		10.47
$ 100	Ford Motor Credit Co	11	'96 Jan	105⅛	9.27		9.50
$ 25	General Cable O/s	8⅛	'87 May	100½	7.96	7.94	8.23
$ 300	General Electric Co	8	'86 Apr	95¼	8.19		8.15
$ 100	General Electric Co	7⅛	'96 Dec	95¾	7.84		7.23
$ 200	General Electric Cred	11⅞	'87 Nov	105¾	7.59		10.52
$ 200	General Electric Cred	12	'89 Oct	102	11.20		11.76
$ 200	General Electric Cred	10⅝	'90 Feb	104¼	8.88		10.20
$ 200	General Electric Cred	10	'90 Jul	104	8.78		9.62
$ 200	General Electric Cred	11	'91 Feb	107¼	9.24		10.26
$ 200	General Electric Cred	9⅝	'91 Aug	104	8.74		9.38
$ 250	General Electric Cred	10⅛	'92 Dec	108½	8.91		9.33
$ 200	General Electric Cred	8⅞	'93 Dec	102½	8.64		8.71
$ 200	General Electric Cred	11	'93 May	105¼	9.57		10.45
$ 75	General Foods Cap Co	12	'89 Apr	107¼	10.11	10.28	11.49
$ 100	General Foods Cap Co	11½	'90 Jun	104⅜	9.05		10.94
$ 100	General Foods Co Intl	10⅝	'95 Jun	107	9.14		9.24
$ 200	General Motors Accept	7⅛	'88 Mar	102¼	7.75		9.66
$ 200	General Motors Accept	10⅛	'89 Jun	105½	8.12		9.72
$ 250	General Motors Accept	8⅝	'91 Feb	104¾	8.22		8.78
$ 200	General Motors Accept	10	'91 Nov	106¾	8.42		9.38
$ 200	General Motors Accept	8	'92 Oct	99¼	8.91		9.38
$ 250	General Motors Accept	16⅝	'92 Apr	108	8.96		15.19
$ 200	General Motors Accept	9⅝	'93 Jan	105	8.78		9.17
$ 200	General Motors Accept	9⅞	'96 Mar	102¾	8.71		8.80
$ 100	General Re Corp	11½	'92 Apr	108¼	9.49		10.57
$ 125	Getty Oil Intl	14	'89 Jun	104¼	12.22		13.45
$ 100	Gmac O/s Finance	12	'87 Oct	104	8.62		11.54
$ 100	Gmac O/s Finance	16	'88 Feb	113¼	7.84		14.32
$ 150	Gmac O/s Finance	14⅛	'88 Aug	107½	10.48		13.49
$ 125	Gmac O/s Finance	15	'89 May	106¼	12.35		14.12
$ 100	Gmac O/s Finance	10⅛	'90 Feb	104	9.14		10.10
$ 100	Gmac O/s Finance	11¾	'90 Oct	107	9.22		10.63
$ 100	Gmac O/s Finance	11⅛	'97 Apr	105⅛	10.69		10.97
$ 75	Gould Inc	11¾	'95 Mar	109¾	10.01		10.71
$ 100	Gram Finance	13⅛	'89 Mar	109¾	9.48		12.19
$ 75	Gte Finance	17	'87 Apr	107¾	7.55		15.77
$ 55	Gte Finance	9⅛	'89 Jul	101⅛	9.25	9.11	9.63
$ 15	Gte International	8⅛	'86 Nov	99⅝	8.63	8.62	8.27
$ 100	Gulf Oil Finance	10⅜	'94 Dec	104¼	9.39		9.79
$ 60	Gulf States O/s Finan	17⅛	'88 Oct	105½	15.45		16.97
$ 60	Gulf States O/s Finan	16	'90 Jan	108¾	13.78		15.86
$ 75	Gulf States Utilities	13	'92 Mar	111	10.35		11.71
$ 100	Gulf & Western Interc	12⅜	'89 May	107¼	9.00		11.31
$ 15	Hilton International	7⅝	'87 Nov	98¾	8.66	9.14	7.85
$ 100	Honeywell Inc	7⅝	'96 May	96	8.60		8.27
$ 100	Honeywell Intl Financ	10⅝	'90 Nov	105½	8.97		10.19
$ 100	Hospital Corp America	10⅛	'95 Oct	105¾	9.29		9.89
$ 200	Ibm Credit Corp	11⅛	'87 Oct	102¾	7.42		11.16
$ 200	Ibm Credit Corp	10¾	'89 Feb	108¼	7.64		9.83
$ 200	Ibm Credit Corp	11	'92 Dec	105¾	8.14		10.44
$ 250	Ibm Credit Corp	8	'90 Mar	102½	9.22		9.34
$ 300	Ibm World Trade	12⅜	'92 Oct	112	9.61		10.94
$ 250	Ibm World Trade Corp	10⅛	'95 Nov	109	8.79		9.40
$ 35	Ic Industries	8⅝	'87 Jan	99¼	9.52		8.82
$ 75	Ic Industries	12	'90 May	105½	10.22		11.37
$ 100	Ic Industries X/w	5⅝	'91 Jun	98½	9.26		9.81
$ 75	Ic Industries	13⅛	'93 Oct	115¼	9.70		11.71
$ 75	Ic Industries	11⅜	'98 Dec	107¼	10.77		11.07
$ 100	Illinois Power Financ	12⅛	'92 Apr	108½	10.46		11.52
$ 50	Ingersoll-Rand Intl	13⅛	'95 Oct	107¼	11.89	11.54	12.35
$ 100	Intersorth Inc	9⅛	'96 Mar	90	10.93		10.28
$ 100	Intl Paper Co	10⅛	'93 Oct	108¼	8.65		9.67
$ 75	Intl Paper O/s Financ	12	'91 Mar	107¼	10.91		11.19
$ 25	Intl Standard Electri	9	'86 Oct	99¼	9.49	9.49	9.02
$ 75	Intl Standard Electri	12	'96 Mar	104¼	11.24	11.00	11.51
$ 75	Itt Antilles	9½	'89 May	101¼	8.98		9.38
$ 100	Itt Antilles	11⅛	'92 Nov	107¼	9.89		10.72
$ 50	Itt Corporation	11	'92 Feb	105¾	9.73		10.45
$ 75	Itt Credit Corp	10⅛	'90 Jan	103¼	9.49		10.17
$ 145	Itt Financial	11⅛	'89 Dec	105¼	9.62		10.93
$ 35	Iu Overseas	8⅛	'87 Jul	99¾	9.47	9.47	8.82
$ 75	John Hancock O/s Fina	12	'89 Nov	103¾	10.58		11.57
$ 100	Kellogg Comp	10⅛	'90 Jan	105¾	8.60		10.19
$ 100	Kellogg Comp	11⅛	'92 Jun	112¾	8.09		9.89
$ 100	Kiewit Co	10⅛	'88 Sep	104¾	8.73		9.67
$ 100	Kimberly-Clark	12	'94 Dec	118¼	8.76		10.11
$ 75	Levi Strauss Intl Fin	11	'90 Jul	101¼	10.59		10.86
$ 100	Macy Credit Corp	11⅛	'95 Feb	105¼	10.68		11.11
$ 100	Macy Rh O/s Finance	12⅛	'91 Jan	105	10.30		11.19
$ 50	Manufact Hanover O/s	10⅛	'88 May	101¼	9.53		10.12
$ 100	Manufact Hanover O/s	10⅛	'96 May	101¼	9.86		10.12
$ 75	Mcdonalds Corporation	12⅛	'87 Oct	105¾	8.00		11.64
$ 100	Mcdonalds Corporation	10	'93 Jan	105	8.95		9.52
$ 75	Mcdonalds Finance Co	11⅛	'94 Jan	108¼	10.08		10.74
$ 100	Mellon Bank	12	'87 Sep	106¼	7.53		12.54
$ 100	Mellon Financial Co	11⅛	'95 Mar	111	9.81		10.59
$ 200	Merrill Lynch Co	9	'89 Feb	102½	2.90		8.78
$ 100	Merrill Lynch Co	12⅛	'89 Oct	106¼	10.36		11.96
$ 200	Merrill Lynch O/s Cap	10⅛	'90 Apr	107¼	8.22		9.86
$ 150	Metlife Funding Inc	9⅛	'92 Jul	104⅝	8.86		9.44
$ 65	Middletown Trust	10½	'93 Jul	104½	9.59	9.33	10.05
$ 102	Middletown Trust	10⅛	'98 Jul	110	9.45	9.31	9.89
$ 200	Mobil Corporation	8⅛	'89 May	104¼	8.96		9.83
$ 35	Mobil Intl Finance	7	'86 Aug	100	6.81	6.93	7.00
$ 150	Morgan Guaranty Trust	12¾	'89 Apr	110¼	7.95		11.06
$ 150	Morgan Guaranty Trust	12⅛	'89 Oct	111¾	8.28		11.07
$ 100	Morgan Jp Co Inc	11⅛	'95 Feb	108	9.37		10.43
$ 100	Morgan Jp Co Inc	10⅛	'92 Nov	107½	8.39		9.47
$ 150	Morgan Jp Intl Capita	11⅛	'90 Aug	105	9.84		10.83
$ 100	Motorola Inc	11½	'87 May	112¼	9.64		10.24
$ 100	Nestle Holdings Inc	9⅛	'91 Jun	105¾	9.04		9.56
$ 30	New England Life	11½	'92 Feb	106¼	9.98	9.39	10.82
$ 149	New England Life	7⅞	'95 Feb	113	9.82	9.33	10.40
$ 50	New York Times Intl	12⅛	'87 Oct	102	10.98		12.50
$ 50	Niagara Mohawk Financ	17	'89 Sep	106¼	14.37		16.00
$ 100	North Amer Philips	12⅞	'91 Oct	107¼	10.58		11.78
$ 40	Occidental O/s Financ	8⅛	'87 Feb	100¾	8.23		8.23
$ 75	Ohio Edison Finance	17⅛	'87 Jul	105½	8.87		16.48
$ 75	Ohio Edison Finance	17½	'88 Oct	104½	15.89		16.79
$ 200	Olympia & York Maiden	10⅛	'95 Dec	105½	9.78		10.02
$ 100	Pacific Bell	11⅛	'92 May	109¾	9.51		10.64
$ 45	Pacific Gas Electric	15⅛	'89 Apr	106	12.89		14.63
$ 60	Pacific Gas Electric	14⅛	'90 Aug	108	12.17		13.66
$ 75	Pacific Gas Electric	12	'91 Oct	108¾	9.85		11.03
$ 75	Pacific Gas Electric	12	'93 Jan	115¾	9.83		10.37
$ 25	Pacific Lighting O/s	8	'88 Apr	99½	8.43	8.47	8.06
$ 65	Pacific Lighting Intl	15⅛	'89 Jul	102	14.86		15.44
$ 100	Pembroke Capital	9⅛	'87 Jul	99½	10.31		9.70
$ 200	Pembroke Capital	13⅛	'93 Sep	101¼	12.49		13.06
$ 100	Penney Jc Financ Corp	11⅛	'91 Oct	110½	10.08		11.54
$ 100	Penney Jc O/s Finance	11⅛	'93 Oct	106¼	10.08		11.18
$ 15	Pennwalt O/s Finance	8	'87 May	99¾	8.85	8.86	8.06
$ 100	Pepsico Capital Res	8⅛	'91 Apr	105¼	8.17		8.31
$ 200	Pepsico Inc	7⅝	'93 May	94¼	8.50		7.82
$ 300	Philip Morris Co Inc	9⅝	'89 Dec	104¼	7.93		9.08
$ 200	Philip Morris Co Inc	10	'93 Dec	103¾	9.21		9.59
$ 200	Philip Morris Co Inc	9⅞	'98 Feb	103	9.43		9.51
$ 200	Phillips Petroleum	14	'89 May	108¼	13.30		13.97
$ 97	Phoenix Mutual Mut	10⅛	'92 Sep	104¾	8.51	8.38	9.45
$ 64	Phoenix Mutual Mut	10⅛	'95 Sep	109	8.34	9.19	9.86
$ 100	Pillsbury Co	10⅛	'93 Oct	105¼	9.21		9.74
$ 150	Procter & Gamble	9⅛	'92 Dec	104¾	8.89		9.44
$ 150	Procter & Gamble	10	'95 Jul	107½	8.77		9.30
$ 150	Procter & Gamble	9½	'98 Feb	105½	8.75		9.03
$ 200	Procter & Gamble	9⅛	'01 Jan	105	8.99		9.17
$ 150	Prudential O/s Fundin	12⅛	'87 Oct	108	7.35		11.86
$ 100	Prudential O/s Fundin	10⅛	'90 Apr	111¾	8.37		9.54
$ 100	Prudential O/s F X/w	10⅛	'90 Dec	107¼	8.75		9.64
$ 396	Prudential Realty Sec	11⅛	'92 Jun	106¾	10.21	9.51	11.12
$ 545	Prudential Realty	12⅛	'95 Jun	115¼	9.44	9.21	10.52
$ 75	Public Serv Elec Gas	9⅛	'96 Jan	100¾	9.25		9.47
$ 25	Ralston Purina	7⅝	'87 Feb	100¾	7.22	7.34	7.69
$ 100	Ralston Purina	12⅛	'89 Oct	113¾	8.58		11.41
$ 150	Ralston Purina	11⅛	'95 May	114½	9.28		10.26
$ 14	Reliance Transcontine	6⅛	'86 Feb	97⅝	10.37	10.47	6.67
$ 125	Revlon Intl Finance	11	'90 Jul	107¾	10.12		10.71
$ 60	Reynolds Metals Europ	16½	'90 Mar	105½	9.26		15.64
$ 150	Reynolds Rj Industrie	10	'91 Jan	107½	8.25		9.31
$ 100	Reynolds Rj Industrie	10⅛	'93 Sep	108	8.71		9.49
$ 100	Reynolds Rj O/s	12⅛	'89 Oct	101½	12.11		12.56
$ 125	Richardson-Vicks O/s	11½	'92 Jan	107½	9.97		10.70
$ 100	Rockefeller Group	13⅛	'89 Jun	103¼	11.82		12.56
$ 200	Rockwell Intl Corp	9⅛	'90 Jul	105¼	8.21		9.35
$ 100	Sears O/s Finance X/w	13⅜	'88 May	102¾	10.47		13.12
$ 125	Sears O/s Finance	11½	'88 Nov	105	7.81		10.65
$ 50	Sears O/s Finance	11½	'89 Sep	105½	8.39		10.64
$ 150	Sears O/s Finance	11⅛	'91 Feb	112	8.39		10.38
$ 150	Sears O/s Finance	10½	'91 Aug	105½	9.18		9.93
$ 150	Sears O/s Finance	11⅛	'93 Oct	116¼	8.55		10.50
$ 100	Security Pacif Nat Bk	10⅛	'87 Feb	101⅛	7.49		10.20
$ 100	Security Pacif Nat Bk	11⅛	'88 Dec	107	8.70		10.80
$ 100	Security Pacif O/s Fi	10⅜	'88 Jan	104¾	7.25		10.00
$ 100	Security Pacif O/s Fi	12	'92 Mar	114½	8.82		10.52
$ 100	Sheraton Americ Exprs	12⅛	'94 Mar	113	9.28		11.76
$ 250	Shell Oil Co	9⅛	'90 Jul	103	8.44		9.22
$ 125	Signal Companies	11⅛	'90 Jul	104	9.55		10.74
$ 100	Society For Savings	11⅛	'90 Feb	105½	9.32		10.91
$ 100	Sonat Finance	11⅛	'93 Jan	107¾	9.87		10.55
$ 75	South Californ Edison	10⅛	'90 May	105¼	9.69		10.24
$ 100	South Californ Edison	11½	'90 Nov	103½	10.58		11.14
$ 50	South Californ Edison	12	'92 Jun	104¾	10.82		10.55
$ 100	South Californ Gas	14⅛	'88 Sep	104½	12.90		14.31
$ 100	South Californ Gas	12⅛	'91 Oct	110¾	10.03		11.51
$ 100	Sperry Corporation	9⅝	'90 Jul	101¾	9.63		9.51
$ 75	St Paul O/s Finance	11⅛	'87 Nov	104½	8.34	8.30	10.48
$ 50	Standard Oil Indiana	8⅛	'88 Aug	101¼	8.52	8.53	8.35
$ 50	Standard Oil Indiana	8⅜	'88 Dec	101¼	8.37		8.34
$ 250	Standard Oil Ohio	10⅛	'89 Jan	102¾	8.88		10.34
$ 100	Sterling Drug Inc	8⅝	'96 Mar	101¼	8.43		8.85
$ 100	Sun Capital Corp	9	'90 Oct	105	8.57		8.52
$ 25	Sundstrand Finance Io	8⅛	'87 Jun	100¾	8.48	8.48	8.73
$ 125	Superior O/s Finance	14	'89 Jun	104¼	12.32		13.43
$ 100	Superior O/s Finance	11	'87 Nov	105	7.88		10.48
$ 15	Sybron O/s Capital	8	'87 Mar	99¾	8.57	8.27	8.02
$ 150	Tenneco Corp	11½	'89 Jan	102¾	10.20		11.19
$ 300	Tenneco Corp	10	'89 Nov	100¼	9.87		9.98
$ 150	Tenneco Corp	10⅛	'95 Jan	101¼	10.44		10.57
$ 100	Tenneco Corp	11	'95 Nov	105¼	10.01		10.47
$ 75	Tenneco Intl Nov	7½	'87 Nov	99¼	8.52		7.53
$ 30	Tenneco Intl Nov	7⅛	'87 Nov	98½	8.27	8.29	7.83
$ 100	Tenneco Intl	17	'89 Oct	103	15.67		16.50
$ 300	Texaco Capital	12⅛	'87 Sep	101	11.65		12.75
$ 300	Texaco Capital	13½	'87 Aug	105¾	11.30		12.80
$ 200	Texaco Capital	9¼	'90 Mar	96½	10.90		10.10
$ 150	Texaco Capital	10	'90 Sep	97	10.88		10.31
$ 250	Texaco Capital	10⅛	'92 Nov	97¼	11.30		10.77
$ 200	Texaco Capital	11¼	'95 May	102	10.76		11.03
$ 250	Texaco Capital	10	'93 Aug	95⅛	10.70		10.47
$ 300	Texaco Capital	11⅛	'94 Mar	105¼	9.59		10.70
$ 150	Texas Instruments Intl	11⅛	'91 Mar	105¼	8.31	8.42	7.81
$ 30	Textron Intl	7⅝	'87 Oct	99¼	9.95		10.53
$ 100	Time-Life O/s Finance	10⅛	'90 Jan	102¼	11.55	11.08	12.35
$ 40	Trailer Train Finance	13⅛	'92 Nov	107¼	7.77		7.82
$ 75	Transamerica Financia	7	'86 Sep	99¾	7.81	7.82	8.48
$ 20	Transamerica O/s Fina	8⅛	'86 Dec	100¼	8.72	8.72	7.56
$ 40	Transocean Gulf Oil	7⅝	'87 Jan	99½	8.47		9.35
$ 100	Trw Inc	9⅛	'93 Feb	104¼	8.67		9.35
$ 20	Trw O/s Finance	8⅛	'86 Oct	100¼	7.84	7.84	8.72
$ 50	Uer O/s Finance	13⅛	'88 Oct	101¼	12.76	12.75	13.33
$ 70	Union Camp O/s Financ	11⅛	'89 Nov	107½	9.15		10.96
$ 150	Union Carbide O/s	14⅛	'89 May	104½	12.89		14.15
$ 30	Union Oil Intl Financ	7⅛	'87 Feb	99½	8.19	8.19	7.34
$ 100	Union Pacific Corp	11⅛	'92 Apr	107¾	9.76		10.70
$ 100	Union Pacific Corp	7⅝	'96 May	93½	8.62		8.16
$ 100	United Technologies	12⅛	'89 Oct	101¼	11.66		12.16
$ 150	United Technologies	11⅛	'92 Jun	110¼	8.75		10.17
$ 100	United Technologies	10⅛	'95 Aug	108⅞	9.21		9.79
$ 20	Utah Intl Finance	8	'87 Mar	100¼	7.60	7.60	7.98
$ 150	Walt Disney Productio	12⅛	'87 Oct	106	7.55		11.79
$ 75	Walt Disney Productio	12½	'89 Sep	105¼	10.80		11.82
$ 15	Ward Foods O/s Capita	5⅝	'88 Nov	82¼	14.95	14.08	6.99
$ 100	Warner-Lambert Intl	10⅛	'90 Feb	104¾	8.96		9.86
$ 100	Wells Fargo Co	13⅛	'91 Sep	112¼	10.24		11.92
$ 50	Weyerhaeuser Capital	10⅛	'90 May	107¾	9.78		10.27
$ 60	Weyerhaeuser Capital	11⅛	'90 Oct	108¼	10.23		11.03
$ 150	Weyerhaeuser Co	12⅛	'87 Oct	105	8.18		11.67
$ 150	Xerox Credit Corp	10⅛	'89 Jan	105½	8.63		10.19

HIGHEST YIELDS
to Average Life Below 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 15	Ward Foods O/s Capita	5⅝	'88 Nov	82¼	14.95	14.08	6.99
$ 125	Pemex Petroleos Mexic	11½	'88 Jul	94	15.01	15.59	12.22
$ 30	Mexico	8⅝	'91 Dec	85½	12.49	13.36	10.23
$ 50	Uer O/s Finance	13⅛	'88 Oct	101¼	12.76	12.75	13.33
$ 40	Mexico	8½	'87 Mar	97	12.57	12.61	8.76
$ 65	Eec Europ Econom Com	14⅝	'93 Apr	108½	12.80	11.88	13.59
$ 60	Newfoundland Province	13½	'90 Feb	105	11.69	11.09	12.86
$ 75	Forsmarks Kraftgrupp	12¾	'92 Oct	100¾	11.82	11.88	12.72
$ 75	Sncf Nat Chemins Fer	13	'91 Feb	105	11.53	11.03	12.38
cr$ 25	Ise Canadian Finance	10	'86 Aug	99	15.37	15.40	10.10
l 30	Sdr Develop Regional	15½	'72 Apr	105½	14.82	12.77	14.69
l 12	Rothschild Inv Holdin	14½	'89 Mar	104½	13.00	13.00	13.88
nkr 100	Norges Hypotekforenin	10⅛	'89 Apr	98¼	11.39	11.27	10.66
l 15	Eib Europ Invest Bank	12	'91 Jul	101⅝	11.58	11.52	11.83

HIGHEST YIELDS
to Average Life Above 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 50	Dome Petroleum	10	'94 Jul	80	14.30	15.38	12.50
$ 50	Ingersoll-Rand Intl	13⅛	'95 Oct	107¼	11.89	11.54	12.35
$ 75	Caisse Nat Autoroutes	15⅞	'97 Mar	120	12.39	11.23	13.23
$ 75	Intl Standard Electri	12	'96 Mar	104¼	11.24	11.00	11.51
$ 50	Hudsons Bay	10	'94 Feb	98	10.37	10.51	10.20
$ 100	Alaska Housing Fin Co	11⅞	'94 Feb	106	10.55	10.51	11.08
$ 40	Ottawa-Carleton	14⅜	'97 Jun	118¾	11.72	10.21	12.47
$ 50	Macmillan Bloedel	9⅛	'93 Mar	96¼	9.97	10.06	9.59
$ 50	Macmillan Bloedel	9	'92 Feb	96¼	9.87	9.97	9.35
cr$ 50	Canadian Utilities	17	'96 Dec	120	13.32	12.56	14.17
cr$ 40	Royal Bank Of Canada	10	'94 May	99	10.19	10.19	10.10
cr$ 40	Royal Bank Of Canada	9	'94 Feb	98½	9.23	9.38	9.14
l 30	Indust Bank Japan Fin	11⅛	'95 Feb	108¾	9.84	9.24	10.51
ecu 40	Saswa Intl Finance Hk	9	'95 Aug	107½	7.82	7.73	8.37

HIGHEST CURRENT YIELDS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 175	Mexico	18¼	'97 Jul	105	17.42		17.62
$ 75	Pemex Petroleos Mexic	17⅛	'86 Nov	100¾	14.78		17.37
$ 60	Gulf States O/s Finan	17⅛	'88 Oct	105½	15.45		16.91
$ 75	Transcanada Pipelines	17⅛	'89 Oct	105½	14.66		16.82
$ 75	Ohio Edison Finance	17½	'88 Oct	104½	15.89		16.79
$ 75	Genstar	17½	'89 Oct	105¾	15.09		16.55
$ 100	Tenneco Intl	17	'89 Oct	103	15.67		16.50
$ 50	Winnipeg City	17	'86 Oct	104	5.77		16.35
$ 50	Dome Petroleum	13½	'92 May	84	18.18		16.07
cr$ 60	Hudsons Bay	18	'87 Nov	102	14.04		17.65
cr$ 50	Nacional Financiera	17¾	'87 Mar	101½	15.43		17.49
cr$ 50	Quebec Province	18	'87 Oct	103	15.17		17.48
cr$ 40	Canadian Pacific	17¾	'87 Nov	102½	15.45		17.32
cr$ 100	Feder Business Dev Bk	17¾	'86 Oct	102½	10.81		17.32

FOREIGNTARGETED BONDS OF THE US TREASURY AND OF ITS AGENCIES

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
$ 1000	Us Treasury	11⅛	'88 Sep	107¾	7.59		10.56
$ 1000	Us Treasury	11	'90 Feb	109¼	8.03		10.08
$ 1000	Us Treasury	9⅛	'90 Aug	106	8.12		9.32
$ 1000	Us Treasury	8⅝	'94 Feb	102½	8.05		8.42
$ 200	Fed Home Loan Banks	11	'89 Dec	107½	8.45		10.23
$ 300	Fed National Mort Ass	11½	'91 Dec	113	8.44		10.18
y 50000	Fed National Mort Ass	6⅛	'92 Feb	102	4.21		6.67
y 25000	Student Loan Mark Ass	6⅛	'92 Jan	102¼	4.13		6.48

DM STRAIGHT BONDS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
	AUSTRALIA						
dm 100	Australia	7	'87 Feb	101¾	4.83	4.84	6.91
dm 200	Australia Pp	8¾	'87 Oct	108¾	7.59		8.19
dm 250	Australia	6	'88 Sep	101⅝	5.32		5.92
dm 250	Australia	5⅞	'89 Nov	102¾	5.57	5.48	5.72
dm 250	Australia Pp	5⅞	'90 Mar	101½	5.29		5.67
dm 150	Australia Pp	6⅝	'90 Dec	103½	5.66		6.20
dm 200	Australia	9⅛	'91 Feb	113⅛	4.05		8.28
dm 300	Australia	9⅜	'91 Dec	113¾	6.37		8.25
dm 200	Australia	7⅝	'92 Nov	108	6.19		7.18
dm 250	Australia	6⅞	'93 Jan	104¾	6.06		6.59
dm 300	Australia	6⅛	'96 Mar	100¾	6.21		6.23
dm 600	Australia	7⅛	'96 Mar	105½	6.37		6.81
dm 100	Hamersley Iron Fin	6⅝	'87 Jul	101	4.73	4.66	6.75
dm 100	Mount Isa Finance	7⅝	'90 Jan	105¾	5.88		7.21
dm 100	Mount Isa Finance	7⅝	'92 Apr	105¾	6.82		7.43
dm 250	Westpac Banking Co	5⅞	'96 Apr	97¼	6.63		6.30
	AUSTRIA						
dm 100	Austria	8½	'87 May	104½	3.46	3.44	8.13
dm 100	Austria	7⅝	'89 Jul	104¾	5.89		7.24
dm 100	Austria Pp	7⅝	'89 Aug	104½	7.31		7.29
dm 150	Austria	5⅝	'90 Mar	101	5.40	5.31	5.69
dm 100	Austria Pp	7⅛	'91 May	104¼	6.14		7.19
dm 300	Austria	7	'92 Feb	105	5.93		6.67
dm 100	Austria	7	'92 Jun	104¼	6.14		6.71
dm 150	Austria	8⅛	'92 Oct	104¾	7.25	6.76	7.87
dm 100	Austria	8	'93 Jul	109	6.38		7.34
dm 200	Austria	7⅛	'94 Mar	106	6.61		7.19
dm 400	Austria	6	'98 Apr	99¼	6.07		6.04
dm 200	Asfinag	6⅛	'95 Nov	100½	4.54		4.44
dm 150	Austrian Control B Pp	11	'86 Oct	101½	4.58		10.84
dm 100	Austrian Control B Pp	9⅛	'86 Dec	102½	5.02		9.56
dm 150	Austrian Control Bank	8	'87 Mar	102¼	5.23		7.84
dm 150	Austrian Control B Pp	9	'87 May	103¾	5.70		8.74
dm 150	Austrian Control Bank	8⅛	'88 Nov	105¾	7.42		8.29
dm 100	Austrian Control Bank	6⅝	'88 Dec	104¾	4.18		6.44
dm 100	Austrian Control Bank	8⅛	'87 Sep	105½	7.37		8.47
dm 100	Austrian Control Bank	7⅛	'87 Oct	104	6.71		7.24
dm 200	Austrian Control B Pp	7⅛	'90 Feb	102	6.97		7.80
dm 100	Austrian Control B Pp	7⅛	'90 Nov	104	6.23		7.03
dm 150	Austrian Control Bank	7⅛	'91 Feb	105¾	6.07		7.18
dm 150	Austrian Control B Pp	6⅛	'91 Sep	100¾	5.93		6.08
dm 150	Austrian Control Bank	10⅛	'91 Nov	107¾	8.32		9.53
dm 150	Austrian Control Bank	7⅛	'92 Apr	104¾	7.64		8.61
dm 150	Austrian Control Bank	8⅛	'92 Jul	104¼	7.46		7.95
dm 150	Austrian Control Bank	6⅛	'97 Aug	101½	6.41		6.68
dm 50	Austrian Electricity	7	'87 Feb	101¼	5.01	5.03	6.91
dm 150	Austrian Industry	7	'95 Jul	104	6.29		6.72
dm 100	Donaukraftwerke Ag	6⅝	'88 Jan	101¼	5.81	5.54	6.55
dm 100	Donaukraftwerke Ag	8	'94 Jul	107	6.84		7.48
dm 100	Genossen Zentralbank	4	'87 Dec	100½	5.62	5.48	5.97
dm 100	Giroz Bank Sparkassen	10⅜	'91 Jul	116¼	6.25		9.21
dm 50	Kelag Kaernbner Elekt	6⅝	'88 May	101	6.18	5.96	6.68
dm 150	Oest El & Wirtschaft	6⅛	'95 Oct	100⅝	6.44		6.48
dm 50	Pyhrn Autobahn	6⅛	'89 Sep	100¾	5.98	5.77	6.50
dm 100	Steweag	5⅝	'96 May	92	6.62		5.98
dm 70	Tauernautobahn Ag	5⅝	'93 Apr	98¾	5.72	5.85	5.57
dm 50	Tauernautobahn Ag	8⅛	'94 Mar	112¾	7.15		8.53
dm 100	Vienna City	9⅛	'92 Aug	118¾	7.13	6.32	8.46
dm 100	Voest-Alpine	8⅛	'88 Oct	102½	7.89	6.32	8.06
dm 100	Voest-Alpine	6⅝	'89 Jun	100¼	6.45	6.53	6.73
	BELGIUM						
dm 200	Belgium Pp	6⅛	'92 Nov	102½	6.38		6.71
dm 250	Belgium	5⅛	'96 Apr	97¾	6.51		5.93
dm 100	Belgelectric Finance	10⅛	'89 Jan	105¼	8.08		9.88
dm 100	Belgelectric Finance	11	'91 Oct	118¾	8.48		9.93
	CANADA						
dm 200	Canada	8⅛	'89 Apr	106½	6.88		7.98
dm 100	Air Canada	7	'92 Aug	112½	6.41		8.00
dm 100	Air Canada	7⅛	'93 Jun	105¾	6.45		6.97
dm 100	Amca Intl	8⅛	'91 Dec	105¾	7.50		7.79
dm 150	Amca Overseas Finance	7⅛	'92 Dec	101	7.37		7.20
dm 100	Bank Of Nova Scotia	7⅛	'96 May	97¼	6.79		6.33
dm 100	Brascan Intl	10⅛	'88 Oct	101½	7.74	7.35	9.93
dm 100	Canadian Imperial Bk	7	'88 May	107½	2.98		6.51
dm 100	Export Develop Corp	6⅝	'90 Jul	104	5.81		6.61
dm 100	Manitoba Hydro-Electr	6⅝	'87 Jun	101⅛	5.57	4.77	6.67
dm 200	Manitoba Province	7⅛	'93 May	106¾	6.21		6.93
dm 200	Manitoba Province	7⅛	'94 Oct	106½	6.58		7.16
dm 200	Manitoba Province	6⅛	'95 Nov	101	6.22		6.31
dm 150	Montreal City	7	'87 Jul	101¼	5.69	5.61	6.91
dm 100	Montreal City	7	'89 Apr	104¼	5.25	4.39	6.70
dm 100	Montreal City	6	'92 Sep	100¾	6.59		5.96
dm 100	Montreal City	6⅛	'93 Jan	100½	5.46	6.58	6.62
dm 150	Montreal City	5⅝	'96 Jun	97¼	6.01		5.95
dm 80	New Brunswick Provinc	6⅛	'87 Nov	100½	6.33	4.77	6.72
dm 80	Newfoundland Province	6⅛	'86 Aug	100¾	4.50	4.50	7.00
dm 100	Newfoundland Province	6⅛	'88 Apr	102	4.75	4.33	6.35
dm 100	Nova Scotia Power	7	'87 Dec	104¾	4.67	4.62	6.97
dm 100	Nova Scotia Province	7⅛	'86 Dec	101	5.59	5.60	7.47
dm 100	Ontario Hydro-Electr	7⅛	'86 Dec	100¾	5.25	4.35	7.44
dm 100	Ontario Province	6	'87 Sep	100¾	5.44	5.44	5.98
dm 100	Quebec Hydro	7⅛	'89 May	104¼	5.14		7.06
dm 150	Quebec Hydro	10⅛	'91 Dec	115½	6.72		8.86
dm 200	Quebec Hydro	8	'93 Feb	108¼	6.38		7.36
dm 100	Quebec Hydro	7⅛	'94 May	105½	6.77		7.23
dm 200	Quebec Hydro	5⅛	'95 Jun	104	6.52		6.85
dm 125	Quebec Hydro	5⅝	'96 May	97¼	6.44		5.98
dm 140	Quebec Hydro	6	'16 May	95¼	6.32		6.27
dm 200	Quebec Hydro-Electric	6⅛	'87 Aug	101½	5.39		6.42
dm 150	Quebec Hydro-Electric	6⅛	'87 Jun	100½	5.40		6.28
dm 100	Quebec Hydro-Electric	6⅛	'88 Mar	104	4.08	3.19	6.25
dm 150	Quebec Province	7⅛	'87 Feb	101¼	5.58		7.41
dm 150	Quebec Province	7⅛	'87 Jun	101½	5.68		7.34
dm 150	Quebec Province	6⅛	'87 Jul	101⅛	5.44	2.63	6.00
dm 150	Quebec Province	6	'90 May	101	5.91		6.02
dm 200	Quebec Province	7⅛	'91 Apr	101¼	5.96		7.03
dm 150	Quebec Province	7⅛	'91 Feb	110½	6.05		6.91
dm 150	Quebec Province	7⅛	'93 Mar	101¼	6.38		7.32
dm 200	Quebec Province	7⅛	'94 Aug	104¼	6.42		6.87
dm 100	Royal Bank Of Canada	7⅛	'88 Aug	103¾	6.02		6.57
	CHINA						
dm 150	Bank Of China	7	'92 Jun	103	6.36		6.80
	DENMARK						
dm 100	Denmark	7⅛	'87 May	101¾	5.34		7.37
dm 100	Denmark	6⅝	'87 Dec	102¼	4.03	4.40	6.57
dm 100	Denmark	6	'88 Jul	101¾	5.03		5.90
dm 100	Denmark	10	'88 Mar	107⅝	5.58		9.28
dm 150	Denmark	7⅛	'89 May	104¾	5.52		7.16
dm 200	Denmark	6⅝	'89 Apr	103½	5.40		6.52
dm 150	Denmark	7⅛	'89 Aug	104¾	5.38		7.21
dm 150	Denmark	7⅛	'89 Nov	104¼	5.88		7.46
dm 100	Denmark Pp	6⅛	'90 Jul	102	5.55		6.13
dm 100	Denmark	7⅛	'91 Feb	104¼	5.98		7.19
dm 150	Denmark	10⅛	'92 Jul	114¾	6.30		8.85
dm 100	Denmark	8	'93 May	107	6.82		7.46
dm 150	Denmark	7⅛	'94 Nov	106¼	6.71		7.29
dm 100	Denmark	7⅛	'95 Apr	103¼	6.86		7.02
dm 75	Copenhagen City	7⅛	'86 Dec	101½	5.52	5.52	7.60
dm 75	Copenhagen City	6	'88 Nov	100¾	5.54		5.93
dm 100	Copenhagen City	6⅛	'90 Jun	100	6.23		6.25
dm 100	Copenhagen City	7⅛	'93 Feb	104¼	7.29	7.29	7.26
dm 100	Copenhagen Handel W/w	5⅛	'92 Dec	132½	.20		4.15
dm 100	Copenhagen Handel X/w	5⅛	'92 Dec	92¼	6.66		5.49
dm 40	Copenhagen Telephone	7⅛	'87 Jun	97	5.51	5.15	7.48
dm 75	Copenhagen Telephone	7	'87 May	101	5.64	5.54	6.93
dm 60	Copenhagen Telephone	6⅛	'88 Jun	101⅛	6.13		6.66
dm 100	Copenhagen Telephone	6⅛	'93 Jul	101½	6.63		6.64
dm 70	Den Danske Bank	6⅛	'86 Nov	100⅛	5.63	5.75	6.74
dm 125	Elsam	6⅛	'93 Nov	101½	6.61		6.53
dm 40	Jutland Telephone	6⅛	'87 Oct	101¼	5.47	5.47	6.42
dm 40	Jutland Telephone	7⅛	'88 Feb	102¾	5.51	5.51	7.31
dm 125	Jutland Telephone	6⅛	'93 May	101¼	6.41		6.54
dm 100	Mortgage Bank Denmark	7	'88 Jul	100½	6.66	6.18	6.89
dm 150	Mortgage Bank Denmark	6⅛	'90 Jan	101½	5.57		6.53
dm 100	Mortgage Bank Denm Pp	7⅛	'91 Oct	104¼	6.88		7.54
dm 100	Mortgage Bank Denmark	10⅛	'91 Nov	113¾	7.37		9.02
dm 100	Mortgage Bank Denmark	6⅛	'93 Feb	100¼	6.77		7.38
dm 150	Mortgage Bank Denmark	7⅛	'95 May	104¼	6.56		7.31
dm 150	Superfos	7	'90 Oct	101¼	7.32	7.25	7.31
	FINLAND						
dm 100	Finland	10⅛	'86 Nov	102½	4.80		10.20
dm 100	Finland	7	'87 Apr	101½	5.31	5.30	6.88
dm 100	Finland	7⅛	'88 May	103¼	5.30		7.26
dm 150	Finland	8⅛	'89 Apr	110	5.58		7.84
dm 150	Finland	8	'90 Nov	107¾	5.91		7.42
dm 150	Finland	7⅛	'91 Apr	104½	6.26		7.28
dm 200	Finland	7	'92 Jan	103¾	6.33		6.73
dm 150	Finland	6⅛	'95 Sep	100½	6.58		6.45
dm 50	Helsinki City	8⅛	'92 Jan	104¾	7.16	7.49	7.79
dm 40	Ind Mtge Bank Finland	9	'86 Dec	101	7.80	7.80	8.96
dm 70	Ind Mtge Bank Finland	7	'87 Jul	101¼	5.56	5.56	6.89
dm 150	Neste Oy	6⅛	'92 Nov	100¼	6.64		6.48
dm 50	Rautaruukki Oy	5⅛	'88 Apr	100¼	5.41	5.25	5.37
dm 100	Rautaruukki Oy	6	'91 Sep	100¼	5.91		5.99
dm 80	Tvo Power Company	6	'90 Feb	100½	5.46	5.33	5.96
dm 50	Union Bank Of Finland	6⅛	'88 Dec	100¼	6.38	5.82	6.48
	FRANCE						
dm 80	Aeroport De Paris	8⅛	'92 Dec	108½	7.08	6.23	7.79
dm 100	Banque Franc Com Ext	7	'87 Feb	101½	4.84	4.84	6.87
dm 150	Banque Franc Com Ext	5⅛	'88 Jan	100½	5.12	4.92	5.86
dm 150	Banque Franc Com Ext	5⅛	'89 Aug	101	5.35		5.65
dm 150	Banque Franc Com Ext	8⅛	'90 Jul	106¾	5.97		7.61
dm 200	Banque Franc Com Ext	8⅛	'94 Sep	106¾	6.59		7.48
dm 200	Banque Franc Com Ext	8⅛	'95 Jan	106¾	7.26	7.38	7.96
dm 300	Banque Franc Com Ext	6⅛	'93 Oct	101¼	6.23		6.33
dm 100	Banque Indosuez	7⅛	'88 Mar	102	6.28		7.58
dm 100	Banque Nationale Paris	7⅛	'90 Mar	103½	6.38		7.21
dm 100	Basf	6⅛	'94 Apr	100½	6.45		6.51
dm 75	Caisse Centr Coop Eco	8⅛	'86 Jul	101¼	6.32	6.40	8.35
dm 100	Caisse Centr Coop Eco	7	'88 Apr	103	4.58	4.45	6.80
dm 100	Caisse Nat Autoroutes	8⅛	'94 Aug	105	6.81		7.74
dm 100	Caisse Nat Energie	8	'95 Jan	105	6.55		7.62
dm 150	Caisse Nat Telecomm	6⅛	'87 Mar	101	4.84		6.56
dm 200	Caisse Nat Telecomm	9½	'92 Apr	108¾	7.54		8.73
dm 300	Caisse Nat Telecomm	7⅛	'93 Feb	104	6.29		7.43
dm 200	Caisse Nat Telecomm	6⅛	'96 Feb	102	6.33		6.13
dm 100	Credit Equipm Petit M	8	'91 May	107	6.30		7.48
dm 200	Credit Equipm Petit M	7⅛	'87 Feb	104¼	6.61		6.83
dm 150	Credit Foncier France	8⅛	'90 Jul	105	6.00		7.74
dm 200	Credit Foncier France	7⅛	'92 Apr	103¾	6.63		7.26
dm 100	Credit Foncier France	8⅛	'93 May	105½	7.56		7.46
dm 150	Credit National	6	'87 Oct	101¼	5.30	4.89	5.93
dm 200	Credit National	8⅛	'86 Feb	108½	6.47		7.89
dm 100	Electricite France	8⅛	'91 Sep	108½	7.46		8.18
dm 200	Electricite France	8⅛	'92 Oct	107	7.11		7.80
dm 100	Gaz De France	9⅛	'92 Apr	111¼	7.14	6.76	8.65
dm 200	Michelin Finance	7⅛	'90 Apr	103½	6.34		7.36
dm 150	Renault Acceptance	8	'90 Jan	107	5.88		7.48
dm 100	Sdr Develop Regional	7⅛	'93 Jan	103¼	7.03	6.36	7.30
dm 100	Sncf Nat Chemins Fer	7⅛	'92 Mar	103¾	6.44	6.59	7.35
dm 100	Sncf Nat Chemins Fer	7⅛	'92 Mar	107	6.68	4.58	7.36
dm 100	Sncf Nat Chemins Fer	8⅛	'93 Dec	108½	6.78	6.64	7.51
	GERMANY						
dm 150	Asko Finance W/w	3	'93 Jan	118	1.41		2.73
dm 150	Asko Finance X/w	3	'93 Jan	83¼	4.30		3.59
dm 150	Audi Finance	7⅛	'94 Feb	105¼	4.92		6.91
dm 150	Bayer Capital Corp Pp	7⅛	'89 Nov	105¼	5.23		7.31
dm 600	Bayer Capital Cor W/w	2⅛	'95 Feb	163	3.37		1.46
dm 600	Bayer Capital Cor X/w	2⅛	'95 Feb	77¼	4.51		3.56
dm 100	Bhf-Bank Finance W/w	6⅛	'91 Jan	108	4.26		5.98
dm 100	Bhf-Bank Finance X/w	6⅛	'91 Jan	97	6.13		6.19
dm 150	Bhf-Bank Finance W/w	7	'91 Jul	105	5.93		4.17
dm 200	Bmw Finance	6⅛	'96 Apr	100	6.13		6.13
dm 500	Daimler Benz Intl Fin	5⅛	'01 May	100	5.75		5.75
dm 100	Daimler Benz Intl Fin	7⅛	'94 Feb	105½	6.13		7.19
dm 500	Deutsche Bank Finance	6	'91 Nov	100	5.94		5.88
dm 750	Deutsche Bank Fin W/w	6⅛	'94 Feb	120	5.04		5.83
dm 750	Deutsche Bank Finance	5⅛	'96 May	98	5.90		5.83
dm 250	Dresdner Finance W/w	4	'93 Jan	114	1.13		3.52
dm 250	Dresdner Finance X/w	4	'93 Jan	85½	4.86		4.68
dm 250	Dresdner Finance W/w	5	'92 Sep	109	3.93		4.57
dm 250	Dresdner Finance X/w	5	'92 Sep	94	6.28		5.32
dm 70	Heindl Finance	8	'91 Jul	100½	7.26		7.98
dm 100	Heindl Finance	7	'97 Dec	102½	6.75		6.83
dm 100	Hoesch Intl Finance	7	'95 Dec	101½	5.54	6.39	6.83
dm 150	Kaufhof Finance W/w	3⅛	'94 Feb	172	3.03		1.86
dm 150	Kaufhof Finance X/w	3⅛	'94 Nov	82¼	5.68		4.01
dm 150	Kaufhof Finance W/w	3⅛	'92 Dec	149	1.38		2.43
dm 150	Kaufhof Finance X/w	3⅛	'92 Dec	84½	6.88		4.41
dm 100	Kloeckner-Humboldt	6⅛	'87 May	101	5.63	5.69	6.68
dm 150	Linde Intel W/w	3⅛	'94 Dec	168¼	3.68		2.01
dm 250	Lufthansa Intl Financ	6	'96 Jun	99¼	6.03		6.03
dm 250	Lufthansa Intl Financ	6⅛	'16 Jun	99¼	6.27		6.27
dm 150	Metallgesellschaf W/w	2⅛	'96 Jun	95	2.89		2.89
dm 250	Nord-Lb Finance	6	'01 Jun	99	6.21		6.06
dm 100	Pwa Finance W/w	3	'94 Mar	170	4.67		1.76
dm 150	Thyssen Caribbean Pp	7⅛	'93 Feb	103	6.56		6.89
dm 250	Thyssen Caribbean Fin	6⅛	'95 Nov	100½	6.51		6.43
dm 300	Veba Intl Finance X/w	4	'93 Dec	87¼	6.31		4.58
dm 300	Veba Intl Finance W/w	4	'93 Dec	200			2.00
dm 200	Volkswagen Intl Fin	7⅛	'93 Mar	105¾	6.65		7.19
dm 250	Volkswagen Intl F W/w	3	'96 Jan	145¾	7.26		2.06
dm 100	Wella Intl Financ W/w	2⅛	'96 Mar	107¼	1.96		2.33
	HUNGARY						
dm 150	Nat Bank Of Hungary	7	'93 Oct	99	7.17		7.07
dm 150	Nat Bank Of Hungary	7¼	'96 Feb	98	7.54		7.40
	ICELAND						
dm 50	Iceland	7¾	'87 Apr	102	5.33	5.33	7.60
dm 75	Iceland	9¼	'92 Jun	111½	6.85		8.30
	INDIA						
dm 100	Indust Dev Bank India	7	'93 Feb	101	6.80		6.93
	IRELAND						
dm 100	Ireland	10⅛	'86 Dec	102½	5.55		9.88
dm 100	Ireland	9⅛	'87 Sep	105½	4.95		8.99
dm 100	Ireland Pp	8⅛	'90 Jul	107	6.22		7.71
dm 150	Ireland	8⅛	'91 Sep	106¾	6.53		7.86
dm 150	Ireland Pp	8⅛	'91 Dec	106½	6.79		7.98
dm 100	Ireland	8	'92 May	107¼	6.50		7.46
dm 150	Ireland	8⅛	'94 Oct	109¼	7.06		7.95
dm 200	Ireland	7⅛	'95 Feb	105¾	6.60		7.44
dm 100	Ireland	7⅛	'95 Nov	105¾	6.84		7.47
dm 150	Ireland Pp	6⅛	'95 Nov	102¼	6.55		6.52
dm 200	Ireland	6⅛	'96 May	101¼	6.49		6.62
dm 150	Ireland	7⅛	'97 May	105¾	7.03		7.32
	ITALY						
dm 100	Azienda Nazion-Strade	8⅛	'88 Jun	105¼	5.47		7.84
dm 100	Consorzio Di Credito	8⅛	'91 Jan	108½	5.87	7.01	7.57
dm 100	Credito Credito Opere	8⅛	'92 Jan	105¾	6.82	7.25	7.85
dm 150	Ferrovie Dello Stato	6⅛	'88 Mar	102	5.08		6.25
dm 150	Ferrovie Dello Stato	8	'91 Jan	107¼	6.13		7.46
dm 100	Olivetti Intl (lux)	8⅛	'91 Jan	105¾	6.83		7.83
	JAPAN						
dm 50	Bank Of Tokyo Cura Pp	8⅛	'87 Jun	102¾	5.25		8.17
dm 100	Bank Of Tokyo Curacao	7⅛	'90 Feb	105¼	6.46		7.07
dm 300	Dai-Ichi Kangyo Bank	6⅛	'94 Feb	99¾	6.57		6.63
dm 720	Fuji Electric Co W/w	3⅛	'90 Apr	133	4.54		2.35
dm 100	Fuji Intl Finance Hk	7⅛	'92 Feb	105¼	6.61		7.34
dm 200	Honda Motor Co W/w	3⅛	'90 Mar	111	.45		3.15
dm 200	Honda Motor Co X/w	3⅛	'90 Mar	93	5.46		3.49
dm 100	Indust Bank Japan Pp	7⅛	'89 Feb	104	3.85		7.31
dm 200	Indust Bank Japan	5⅛	'96 Apr	97¼	6.14		5.96
dm 100	Japan Airlines	6⅛	'87 Nov	101¼	4.94		6.65
dm 100	Japan Develop Bank	6⅛	'87 Sep	101⅛	4.83		6.54
dm 100	Japan Develop Bank	7⅛	'90 Jul	104¾	6.08		7.16
dm 100	Japan Finance Municip	6⅛	'91 Jul	102¼	6.28		6.72
dm 100	Japan Finance Municip	6⅛	'92 Dec	102¼	5.94		6.36
dm 61	Jusco Co Ltd W/w	3⅛	'88 Feb	183½	47.35		1.84
dm 100	Kobe City	5⅛	'88 Feb	100¼	4.59		5.50
dm 100	Kobe City	5⅛	'86 Jul	100¼	5.45	3.65	5.65
dm 100	Kobe City	6⅛	'87 May	101¼	4.93		6.17
dm 100	Kobe City	6⅛	'87 Jun	101	5.45		6.42
dm 150	Kobe City	7⅛	'89 Oct	103¼	6.39		7.26
dm 150	Kobe City	8	'91 Jul	108¾	7.69		7.85
dm 150	Kobe City	6	'92 Sep	100¼	5.97		5.98
dm 120	Kobe City	7	'93 Jan	102¼	6.39		6.93
dm 100	Kubota Ltd	7⅛	'88 Apr	102¾	5.49	4.97	7.16
dm 100	Long-Term Credit Bank	8	'90 Aug	102¼	6.33		7.82
dm 25	Maruzen Showa W/w	2⅛	'90 Dec	145	5.48		1.73
dm 300	Mitsubishi Heavy	5⅛	'87 Dec	102	4.14		5.02
dm 150	Mitsubishi Heavy	5⅛	'89 Apr	101	5.00		5.07
dm 300	Mitsubishi Heavy W/w	3⅛	'87 Dec	147¼	12.97		2.17
dm 300	Mitsubishi Heavy X/w	3⅛	'89 Apr	96⅛	5.73		3.37
dm 100	Mitsubishi Metal W/w	3⅛	'90 Dec	107	3.11		2.93
dm 100	Nippon Credit Bank	7⅛	'91 Apr	104¾	4.97		7.14
dm 200	Nippon Shinpan W/w	3⅛	'90 Jan	153½	14.78		1.96
dm 200	Nippon Shinpan X/w	3⅛	'90 Jan	91½	5.92		3.41
dm 150	Nippon Steel Corp	6⅛	'89 Dec	101¼	6.68		6.68
dm 100	Nippon Telegra Teleph	5⅛	'87 Feb	100¾	5.68		5.84
dm 50	Rhythm Watch W/w	3⅛	'88 Jul	134¼	13.88		2.47
dm 50	Rhythm Watch X/w	3⅛	'88 Jul	94¼	5.28		3.59
dm 100	Sumitomo Finance Asia	7⅛	'90 Nov	104¾	5.67	5.87	7.40
dm 100	Sumitomo Finance Asia	8	'91 Aug	106¾	6.59		7.54
	LUXEMBOURG						
dm 100	Soc Centr Nucleaires	8	'91 Jul	106	4.57		7.55
dm 100	Soc Centr Nucleaires	7⅛	'94 Nov	105¾	4.86		7.09
dm 150	Soc Centr Nucleaires	7⅛	'95 Jul	105¾	6.79		7.10
dm 150	Soc Centr Nucleaires	7	'95 Dec	102¼	6.63		6.85
	MEXICO						
dm 100	Mexico	7⅛	'88 Jan	99¾	7.47	7.58	7.26
dm 150	Comision Fed Electric	6⅛	'88 Apr	97	8.34	8.72	6.86
dm 100	Nacional Financiera	11	'88 Mar	107¼	8.58		10.25
dm 150	Pemex Petroleos Mexic	11	'90 Feb	108¾	8.20		10.12
	MISCELLANEOUS						
dm 100	Arab Banking Corp	5	'88 Sep	100½	4.82		7.35
dm 120	Ind Minin Dev Bk Iran	7⅛	'87 Jul	103	7.23	7.46	7.35

(Continued on next left-hand page)

ZERO-COUPON BONDS

May 29

Security	Final Maturity	Original Offerings Amt	Year	Price	Offered Price
American Intl Group	15 Aug 2004	$ 750	1984	12	19⅝
Asian Develop Bank	31 Aug 2004	$ 1000	1984	10½	17⅝
Atlantic Richfield Os	4 Feb 1992	$ 300	1982	25¼	59½
Baker Intl Finance	25 Feb 1992	$ 225	1982	24.79	56¼
Beatrice Foods O/s	9 Feb 1992	$ 250	1982	25¾	59¼
Belgium	29 Apr 1996	dm 200	1986	52.68	54¾
Campbell Soup O/s Fin	21 Apr 1992	$ 200	1982	27	61⅛
Caterpillar Fin Serv	11 Aug 1992	$ 300	1982	24	57¾
Caterpillar Fin Serv	11 Feb 1994	$ 140	1982	19.94	49⅛
Centrust Savings Bank	15 Feb 2010	$ 1200	1985	5.995	11⅞
Commerzbank	22 May 1995	dm 300	1985	50	55⅝
Commerzbank	4 Aug 2001	dm 300	1985	37½	38¼
Connecticut Mut Life	11 Sep 2000	$ 115	1985	18.80	26⅛
Dow Chemical	30 May 1997	$ 300	1985	29	36⅛
Du Pont Overseas Cap	11 Feb 1990	$ 300	1982	33.90	73⅛
Eksportfinans	3 Oct 1994	$ 300	1984	30⅛	49⅛
Electricite France	11 Sep 2000	$ 500	1984	22⅛	58⅛
Exxon Capital	15 Nov 2004	$ 1800	1984	11.65	18⅛
Florida Feder Savings	15 Jul 1995	$ 160	1985	34.15	44⅛
Gaz De France	27 Feb 1992	$ 150	1982	25.82	65
Gaz De France	1 Mar 1994	$ 150	1982	19.85	53⅛
General Electric Cred	17 Feb 1993	$ 400	1982	26.88	62⅛
General Electric Cred	17 Feb 1993	$ 400	1982	22.80	57⅛
General Electric Cred	4 Mar 1993	$ 200	1982	17¾	53
General Electric Cred	4 Mar 1995	$ 200	1982	17½	48⅛
General Electric Cred	10 Jul 1996	$ 400	1982	25.52	45⅛
General Mills Inc	15 Aug 2004	$ 250	1984	11.05	19
General Mills Inc	15 Aug 2013	$ 1000	1984	4.80	8⅛
Gmac O/s Finance	10 Feb 1990	$ 150	1982	34	73⅛
Gmac O/s Finance	3 Feb 1992	$ 250	1982	25⅛	61⅛
Gmac O/s Finance	1 Oct 1992	$ 400	1982	22⅛	59
Gulf Oil Finance	2 Mar 1992	$ 300	1982	25.82	59⅛
Hewlett-Packard Fin	2 Jan 1991	$ 150	1985	64⅛	68⅛
Italy	9 May 1996	ecu 400	1986	37	49
Nordic Investment Bk	11 Sep 1994	$ 150	1984	31⅛	50
Pearson	7 Nov 1997	$ 100	1985	48⅛	38⅛
Penney Jc Global Fin	17 Feb 1994	$ 330	1987	18⅛	50
Pepsico Capital	4 Feb 1993	$ 100	1982	26	62⅛
Pepsico Capital	2 Mar 1994	$ 125	1982	20⅛	52⅛
Philip Morris Credit	8 Jun 1992	$ 300	1982	27⅛	60⅛
Prudential Realty Sec	15 Jun 1999	$ 325	1984	20.85	34
Redland Finance	25 Apr 1992	148	1985	48	57⅛
Reynolds RJ O/s	19 Feb 1992	$ 400	1982	25½	60
Sears Overseas	18 Feb 1992	$ 400	1982	24.72	61
Sears Overseas	27 May 1994	$ 400	1982	23⅛	50
Sears Overseas	12 Jul 1998	$ 500	1982	20⅛	38⅛
Swedish Export Credit	10 Mar 1994	$ 200	1982	19.70	52⅛
Swedish Export Credit	11 Sep 1994	$ 300	1982	32.925	50
Swiss Bank Corp	14 Nov 1997	$ 400	1984	25	38⅛
Wells Fargo Intl Fin	4 Feb 1988	$ 125	1984	44⅛	86⅛
World Bank	20 Dec 2015	dl 1800	1985	13	10⅛
Xerox Credit O/s Fin	11 Feb 1992	$ 250	1982	25⅛	60

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Marketmakers in Deutschmark Bonds WestLB
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EUROBONDS

After Near-Record April, Volume Slumped in May

By SUSAN LAIT
International Herald Tribune

LONDON — After one of the busiest months ever in the Eurobond market in April, with a total volume of about $22.5 billion, May saw a decline to about $11.5 billion in new-issue volume, the quietest month this year. Demand for all issues in all currencies remained low, although prices of seasoned issues were mostly firmer by the end of the week, gaining about ¼ to ¾ point.

In the fixed-rate sector, a feeling of uncertainty and growing perception that interest rates have stopped declining and may even rise in the near future led to a general shortening of maturities on new Eurobond issues from 10 to 5 years. A five-year maturity is thought to have less volatility and risk than a 10-year maturity.

But this did not help Danish Export Finance, which brought a 5-year, 8-percent Eurodollar bond to the market with a margin of 56 basis points over U.S. Treasury yields. Bankers felt the margin too slim, and the bond was quoted at less 2¼ bid on the day of launch.

In other currencies fixed-rate issues did not fare much better. The French franc bond market until recently had been the only market remaining relatively strong. But new economic and political uncertainties have had a dampening effect on this sector. Automobiles Peugot SA offered 1 billion French francs, carrying an 8-percent coupon at par and 10-year life. The terms looked generous, but the issue failed to find many buyers and was trading at a discount equal to the gross fees by the end of the week.

Eurobond Yields
For Week Ended May 28

U.S.$ lg term, Int'l inst.	8.65 %
U.S.$ long term, ind.	8.77 %
U.S.$ medium term, ind.	8.95 %
Can.$ medium term	9.81 %
Aus.$ medium term	12.79 %
French Fr. short term	7.85 %
Sterling medium term	9.72 %
Yen medium term, int'l inst.	6.18 %
Yen lg term, int'l inst.	6.39 %
NZ$ short term	16.11 %
ECU short term	7.46 %
ECU medium term	7.82 %
ECU long term	8.09 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended May 29
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	20,347.90	11,386.60	8,961.30
Euroclear	38,164.50	28,897.30	9,267.20

The floating-rate market ended the week firm, with prices gaining slightly. The announcement by the European Community that it would call its $1.8-billion floating-rate note due 1997 helped bolster the market, although no great effect was felt, as the move had been expected. It will, however, add to the already tight supply of floating-rate issues currently in the market, which is partly due to other borrowers retiring notes because the cost of their financing has dropped. New-issue volume dropped by half in May compared with April.

FOR the past few weeks the main area of strength has been equity-related issues, in any currency. Last week proved to be no different, although as usually happens in the Eurobond market, what seems to be a good idea becomes overused. As a result, this sector is also beginning to lose much of its appeal. New equity-related issues generally traded around their issue price, or even higher. United Biscuits Holdings PLC issued $75 million of 6½-percent bonds due 1996 with 5-year warrants to buy an equal amount of shares. The issue was quoted as high as 105 bid on the day of launch.

Eastman Kodak launched a $300-million, 15-year convertible bond through Salomon Brothers. This got off to a faltering start although it was picked up later to trade above its issue price and was increased from $275 million.

Swiss franc bonds were little changed during a quiet week of trading. Most activity was not in new issues but in new rules on maturity and early repayment for new bonds and notes. Rules on minimum subscription amounts and deposit duty for notes were also ended. Many bankers feel the regulations will help the market become more liberal and lead to increased trading volume.

In the Deutsche mark sector prices are suffering from the large volume of issues currently in the market. This was not helped when on Wednesday the Bundesbank announced another large Eurobond calendar for June, of 70 issues with a total volume of 16.9 billion DM. However, the majority of issues are not expected to come to the market.

As a result, the Bundesbank has come under further pressure from bankers who feel the calendar system has an unsettling effect on existing Deutsche mark Eurobonds. Only about 4.5 billion DM out of a total of 18.7 billion in the May calendar has actually been issued. It is thought that much of the June calendar includes many of the bonds registered for May.

One alternative idea is to notify the central bank of a new issue on the day of launch, giving the Bundesbank the opportunity to postpone the issue if it felt the market was congested. The bank has more sympathy with the idea of reducing the registration period to two weeks, but most bankers believe this would increase the unsettling effects on the market.

U.S. Becomes Japan's Hottest Property

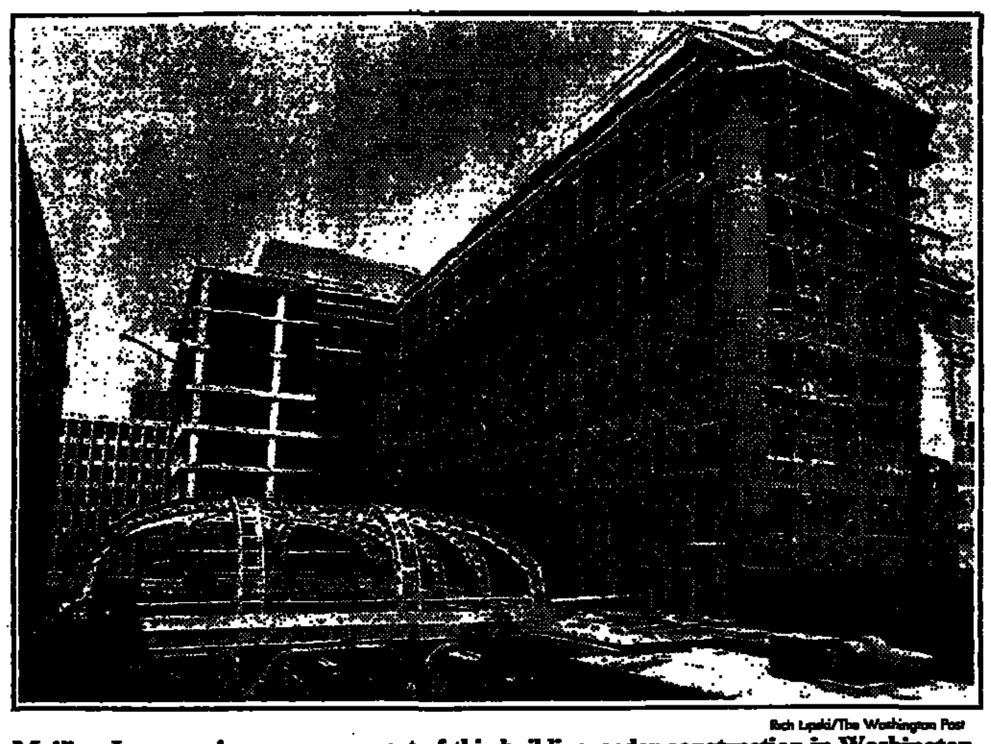
Yen for Profit Draws Investors Into Real Estate

By Peter H. Stone
Washington Post Service

WASHINGTON — In 1981, Nissei Realty Inc., the real estate division of Nippon Life Insurance Co., the largest Japanese life insurance company, opened an office in New York and quietly began to investigate the American real estate market.

Soon after, it bought 50 percent of the Pan Ocean Building, a 22-story office and retail structure on Madison Avenue owned by Equitable Real Estate Investment Management Inc. In 1984, six months after Equitable bought the Union Bank Building in Los Angeles for $170 million, Nissei purchased a 50-percent stake in that project.

And late last year, ground was broken on a 50-story building in Dallas that is a joint venture of Nissei, Equitable and a Texas developer, Trammell Crow.



Rich Lipski/The Washington Post

Meiji, a Japanese insurer, owns part of this building under construction in Washington.

These transactions illustrate the growing role of Japanese companies in the American real estate market. Equitable, for example, has teamed up in recent years with several Japanese insurance giants, including Meiji Mutual Life Insurance Co. and Asahi Mutual Life Insurance Co., on real estate ventures nationwide. The Japanese interest in these projects is almost $500 million.

Equitable estimates that over the next five years, 10 to 15 percent of the $2 billion to $3 billion it invests in real estate each year will come from Japanese sources. Equitable plans to open an office in Tokyo this year to serve as a liaison with its Japanese partners and to search for new business.

The Japanese invasion has made that country the most active foreign player in U.S. real estate, replacing British and Canadian investors of a few years ago.

"It's been an evolutionary process," George Puskar, president of Equitable Real Estate Investment Management, a $23-billion subsidiary of Equitable Assurance Society, said of his company's ties with Japanese companies. "We had trainees from Japan in the early 1970s nurturing this relationship."

"They're making steps into U.S. real estate like the pension funds did back in the 1970s," Mr. Puskar added. "They value real estate and they treat it with great respect."

A Nissei executive explained: "We wanted to diversify our portfolio and get a higher return on investment."

Many other Japanese companies have the same idea. The U.S. Commerce Department estimates that the cumulative investment of Japanese companies in American real estate totaled $1.2 billion at the end of 1985, or almost double the previous year's $630 million.

Asahi Journal, a Japanese weekly, predicts that at the end of 1986 the total investment might reach $4.5 billion. Analysts say that 50 Japanese companies are now investing in American real estate.

"I suspect with the dollar going down, there may be a major increase later this year," said Richard Apcar, director of the Commerce Department's Investment Analysis Division.

The Japanese investment is the result of accumulation of large amounts of capital because of recent export surpluses. The insurance companies leading the binge have been closely followed by trading companies, banks and construction concerns.

For the Japanese, American real estate has a special allure because land in Japan is in very short supply, and often the yields from investment are only about 5 percent, compared with 10 percent in the United States.

Furthermore, land and buildings in Japan are sold less frequently than in North America, where each transaction normally ratchets up the price.

Larry Weber of Chase Investors Management, a division of Chase Manhattan Corp. that has consulted with two of the six insurance companies actively seeking U.S. properties, said the United States is the "biggest market, the most diverse and the most liquid. Returns here have been higher than other places."

Some analysts believe that the buying binge has been made more frenetic by pressure on Japan from U.S. policy-makers to increase direct investment in the United States.

Japan's Ministry of Finance added another incentive recently when it raised the level of foreign investment permitted to insurance companies from 10 percent to 25 percent of their total assets. Pension funds are expected to be given a similar increase.

"We're considering increasing our portfolio all over the United States," said Kazunobu Nisawa of Meijiseimei Realty of America Inc., a Meiji subsidiary. "We're looking at major cities on the East and the West coasts."

Meiji and Equitable own 50 percent of a 10-story office building under construction in Washington. Mr. Nisawa said his company invested about $30 million in the project, which is being built by the developer Farr Jewett.

Equitable executives said the giant trusts, Sumitomo and Mitsubishi, have also begun to display interest in American real estate. Equitable said it is negotiating with a big Japanese company about an investment in a large shopping center under construction.

The Japanese Long-Term Credit Bank is setting up a facility called Nippon Landic that will invest about $100 million a year in American real estate, according to an official with the bank in New York.

Japan Reaches Debt Agreement With Philippines

Reuters

MANILA — Japan has rescheduled Philippine debts totaling 2.7 billion pesos ($133.3 million) and offered concessional financing worth 2 billion pesos for seven projects, Finance Minister Jaime Ongpin was quoted as saying.

Mr. Ongpin, who returned from Tokyo on Saturday, said he signed the rescheduling pact for loan maturities falling due between Jan. 1, 1985, and June 30 this year, the Philippine News Agency reported.

The Philippines owes creditors $26.2 billion, including about $1 billion in short-term debt covered by Paris Club rules that are being rescheduled. The Paris Club is the name given to an informal group of Western creditor nations.

Nearly a dozen other countries have signed similar pacts with Manila, while commercial loans from banks are being rescheduled separately.

The rescheduled Paris Club debts to Japan will be repaid over 10 years, including a 5-year grace period.

The Philippines imposed a moratorium on repayment of debts in October 1983, but has regularly paid interest.

The 2-billion-peso loan has been extended at interest of 3.5 percent a year and will be repaid over 30 years, including a 10-year grace period.

The project loans have been financed by Japan's Overseas Economic Cooperation Fund for improvement of roads, airports, dams and rural water supply, Mr. Ongpin said.

■ New Loans Announced

The Philippines is to receive around $770 million in economic assistance from Western countries and the World Bank, Mr. Ongpin said Saturday in Manila, according to an Agence France-Presse report.

Mr. Ongpin, who attended a World Bank subcommittee meeting in Tokyo, said that Manila had secured "very roughly" 70 percent of the $1.1-billion package it had sought from Western donors and would continue to lobby for the balance.

The minister led a Philippine economic delegation that presented the country's overall economic plan to representatives from several industrialized nations, including the United States, West Germany, Japan and Australia.

The central bank governor, José Fernandez, who accompanied Mr. Ongpin, described the meeting as "very fruitful," and said that Manila was in the process of "tidying" up the aid package.

The Philippines has called for extensive foreign assistance to help boost its ailing economy, which has contracted by 10 percent in two years.

Saudi Riyal Devalued on Oil-Price Fall

Reuters

MANAMA, Bahrain — Saudi Arabia, the world's largest oil exporter, devalued its currency by 2.7 percent Sunday in a move bankers linked to the collapse in oil prices.

Bankers said the value of the riyal was reduced to 3.75 to the dollar from 3.65, effective immediately. The previous rate had been in effect since last June 10. The devaluation was said to be the kingdom's largest.

Officials at the Saudi Arabian Monetary Agency, the central bank, could not be reached for comment. Bankers said the SAMA directive gave no explanation.

They said the devaluation would boost budget revenues in riyals because most government receipts come from oil, priced in dollars.

Bankers estimate that government revenues fell last year to less than a third of their 1981-82 peak of more than $113 billion because of the weak oil market. Uncertainty over oil prices led Saudi Arabia to postpone its 1986-87 budget, due in March.

News of the delay in the budget, which is now expected to be presented in August or September, led to unprecedented speculation against the riyal.

Malaysia, Seeking Ways To Stabilize Commodity Prices, Calls Conference

By Michael Richardson
International Herald Tribune

SINGAPORE — Malaysia is trying to mobilize international cooperation between producers and consumers to raise and then stabilize depressed export prices for commodities critical to the economic health of Southeast Asia and many other areas of the Third World.

Malaysia said Saturday that it would hold an international conference in Kuala Lumpur from July 21-25 to find new approaches toward stabilizing commodity markets.

Analysts said Sunday that the move followed recent signs that the Reagan administration would modify its hard-line stand against international agreements on commodity price stabilization, provided producers showed similar flexibility.

Malaysia's primary industry minister, Paul Leong, indicated in Jakarta on Saturday that Malaysia, one of the world's leading producers of tin, rubber and palm oil, was ready to reduce reliance on formal commodity cartels that attempt to use production controls, including quotas, to sustain prices.

Participants to the conference have been invited from international organizations and producing and consuming countries, among them the United States, the Soviet Union, China, Japan, Brazil and a number of European, African and Southeast Asian states.

Some cartels, such as the Organization of Petroleum Exporting Countries, have only producers as members. Others, such as the collapsed International Tin Council, have major consumer nations as well as producers as members.

The Reagan administration and governments of some other leading Western industrial states have opposed, or had serious reservations about, international arrangements on commodity stabilization, arguing that supply and demand should determine prices.

Some big commodity-producing countries did not join some of the arrangements because they believed their interests as low-cost producers were better served by remaining free of restraints on output.

In Jakarta, Mr. Leong met President Suharto of Indonesia and Indonesia's ministers for energy, the economy, trade, finance and forestry and briefed them on Malaysia's conference plan.

Mr. Leong said Indonesia, which has emerged as a tough competitor for Malaysia in tin, rubber and palm-oil sales, regards the conference as timely.

He said discussion at the conference would cover natural rubber, edible oils, cocoa, coffee, tea, rice, sugar, timber and minerals such as tin, copper and bauxite.

The Malaysian initiative is seen as an attempt to reduce friction between members of the Association of South-East Asian Nations, who have been undercutting each other in a bid to secure larger sales abroad for their commodities to offset the effects of region-wide recession.

ASEAN was formed to promote regional cooperation and links Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Malaysia, Indonesia and Thailand are three of the world's top tin, rubber and palm-oil producers. Thailand is also a leading rice exporter and Indonesia is the world's main source of plywood.

The Philippines is a big copra, copper and gold producer and is increasing output of cocoa, palm oil and other plantation crops that will compete with Indonesian and Malaysian export sales.

At a meeting in Singapore last month between senior ASEAN officials and a U.S. delegation headed by the undersecretary of state for economic affairs, Allen Wallis, Washington indicated that it had a common interest with ASEAN and was prepared to show some flexibility over the marketing of agricultural, plantation and other non-oil commodities.

A joint statement said both sides noted that they were major producers of basic commodities and recognized the importance of commodity export earnings for their economies.

The United States is a big exporter of agricultural products, including soybeans and other sources of edible oil that have recently been taking a bigger share of the world market from Southeast Asian palm oil.

The U.S. delegation acknowledged ASEAN's concern over depressed commodity prices, but observed that international commodity agreements generally had failed to stabilize prices or to serve the long-term interest of commodity producers.

Nonetheless, the statement said, the U.S. side affirmed that the United States would continue its participation in the International Coffee Agreement and in renegotiation of the International Natural Rubber Agreement.

ASEAN officials say that the Reagan administration had previ-

See MALAYSIA, Page 17

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States

	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1,876.71	1,823.29	+2.93 %
DJ Util.	189.62	184.35	+2.86 %
DJ Trans.	803.36	797.96	+0.68 %
S&P 100	234.85	230.26	+2.52 %
S&P 500	247.35	241.35	+2.49 %
NYSE Co.	142.06	138.86	+2.29 %

Britain

	Last Wk.	Prev.Wk.	Ch'ge
FTSE 100	1,408.90	1,419.90	−0.77 %
FT 30	1,312.40	1,328.90	−0.85 %

Hong Kong

	Last Wk.	Prev.Wk.	Ch'ge
Hang Seng	1,787.90	1,815.90	−1.54 %

Japan

	Last Wk.	Prev.Wk.	Ch'ge
Nikkei 225	[illegible]	16,205.00	+2.87 %

West Germany

	Last Wk.	Prev.Wk.	Ch'ge
Commerzbank	1,969.80	2,001.00	−1.60 %

Source: [illegible] & Co., London

Money Rates

United States

	Last Wk.	Prev.Wk.
Discount rate	6½	6½
Federal funds rate	6⅞	6 13/16
Prime rate	8½	8½

Japan

	Last Wk.	Prev.Wk.
Discount	3½	3½
Call money	4¼	4 3/16
60-day interbank	4⅝	4⅝

West Germany

	Last Wk.	Prev.Wk.
Lombard	5½	5½
Overnight	4¼	4.00
1-month interbank	4.45	4.45

Britain

	Last Wk.	Prev.Wk.
Bank base rate	10	10
Call money	10⅝	10
3-month interbank	9½	9¾

Dollar

	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl index	118.70	116.40	+1.98 %

Gold

	Last Wk.	Prev.Wk.	Ch'ge
London p.m. fix, $	343.20	341.10	+0.62 %

Currency Rates

May 30

Cross Rates

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	5.507 *	135.60 *	149.99 *
Brussels (a)	47.31	[illegible]	[illegible]	6.411	2.98 *	[illegible]	—	24.44	27.26 *
Frankfurt	[illegible]	[illegible]	—	31.41 *	[illegible]	88.955 *	4.898 *	120.71 *	1.3255 *
London (b)	[illegible]	—	3.4730	[illegible]	2,346.90	[illegible]	69.745	2.8405	256.81
Milan	[illegible]	[illegible]	[illegible]	215.10	—	604.76	33.578	826.70	9.149
New York (c)	—	[illegible]	2.2373	7.4136	1,594.00	2.5165	47.495	1.9542	174.70
Paris	[illegible]	[illegible]	3.182	—	4.58 x	2.8224	15.99 *	3.841	4.2515 *
Tokyo	171.85	[illegible]	[illegible]	23.35	[illegible]	64.29	365.64 *	89.90	—
Zurich	[illegible]	[illegible]	83.96 *	26.84 *	0.1211 *	73.535 *	4.071 *	—	1.1061 *
1 ECU	[illegible]	[illegible]	[illegible]	[illegible]	1,477.44	[illegible]	44.986	1.7858	161.603
1 SDR	[illegible]	[illegible]	N.Q.	[illegible]	1,831.45	2.9785	53.9676	2.1908	196.391

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available.
[illegible]

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
[illegible]	[illegible]	Fin. markka	5.282	Mex. peso	562.00	Soviet ruble	0.717
[illegible]	[illegible]	Greek drac.	143.00	Norw. krone	7.81	Span. peseta	146.95
[illegible]	[illegible]	Hong Kong $	[illegible]	Phil. peso	20.35	Swed. krona	7.37
[illegible]	[illegible]	Indian rupee	[illegible]	Port. escudo	148.00	Taiwan $	38.19
[illegible]	[illegible]	Indo. rupiah	1,128.00	Saudi riyal	[illegible]	Thai baht	26.435
[illegible]	[illegible]	Irish £	[illegible]	Sing. $	2.2293	Turkish lira	678.75
[illegible]	[illegible]	Israeli shek.	1.48	S. Afr. rand	2.3739	UAE dirham	3.673
[illegible]	[illegible]	Kuwaiti dinar	[illegible]	S. Kor. won	[illegible]	Venez. boliv.	20.02
[illegible]	[illegible]	Malay. ringg.	[illegible]				
[illegible]	[illegible]						
[illegible]	[illegible]						

[illegible] Banque Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); [illegible]

FINA
PETROFINA
Société Anonyme

Salient Points of the 1985 Report

Highlights of the Year

Finance (in millions of Belgian francs)	1985	1984
Net income	17,070	15,505
Cash flow	51,299[2]	51,014[1]
Consolidated turnover	672,000	575,000
Fixed assets (net of depreciation)	171,787	152,497

Operations	1985	1984
Production of crude (in thousands of metric tons)	6,300	6,500
Crude oil processed in the Group refineries (in thousands of metric tons)	20,900	20,800
Sales of finished products (in thousands of metric tons)	24,000	23,200
Sales of natural gas (in millions of cubic metres)	4,500	4,800

(1) Includes the proceeds from the sale of Swedish assets of 1,544 million BF
(2) Cash flow for 1985 has been calculated without currency fluctuations relevant to provisions constituted in previous years being taken into account. Thus the 1984 cash flow has been restated for comparability

Petrofina's share in the Group's consolidated profit for 1985 was 17,070 million Belgian francs (£223,630,000 or $287,436,000) compared with 15,505 million Belgian francs in 1984, an increase of 10.1%.

In accordance with Group policy when calculating these profits, stock valuations were based on the last-in-first-out (LIFO) method. The figures represent the true operating results, all non-recurring income having been more than offset by writing off extraordinary items.

The improvement in results was mainly due to the refining-marketing sector.

Cash-flow was 51,300 million Belgian francs (£672,069,000 or $863,823,000) compared with 51,000 million Belgian francs (£662,507,000 or $882,580,000) in 1984.

The consolidated turnover was 672,000 million Belgian francs (£8,803,716,000 or $11,316,570,000), an increase of 15%

The net yield on shareholders equity – which increased to 89,900 million Belgian francs compared with 82,400 million Belgian francs in 1984 – was 23%

The ratio of shareholders' equity to long-term debts thus increased from 2.42 to 2.44, whilst working capital raised to 17,700 million Belgian francs

The Group's capital investment expenditure in 1985 was 38,000 million Belgian francs (£497,829,000 or $639,868,000), 10,000 million Belgian francs less than the planned budget. this reduction was due to revision of the programme for certain North Sea operations, and to our prudence in selecting exploration projects concomitant with low price levels

Despite the unstable situation in our industry today, the Board felt able to propose at the ordinary General Meeting on 12 May 1986 a net dividend after withholding tax of 330 Belgian francs per share, an increase of 10%

The net dividend of BF 330 corresponds to a gross dividend of BF 440 on which a withholding tax of BF 110 is paid by the company on behalf of the shareholders

Coupon N° 83 is payable as from 22 May 1986 at the rate of BF 330 after tax.

The English edition of the full Annual Report is available on application to Petrofina S.A., Public Relations, rue de l'Industrie 52, 1040 Brussels.

International Bond Prices

(Continued)

NETHERLANDS

NEW ZEALAND

NORWAY

PORTUGAL

SOUTH AFRICA

SOUTH AMERICA

SPAIN

SUPRANATIONAL

SWEDEN

SWITZERLAND

UNITED KINGDOM

UNITED STATES AMERICA

EURO CURRENCY UNITS

CANADIAN DOLLARS

NORWAY KRONERS

POUNDS STERLING

FRENCH FRANCS

JAPANESE YEN (EURO)

NASDAQ National List

OTC consolidated trading for week ended Friday.

Sales in 100s High Low Last Net Ch'ge

A

B

C

D

E

F

G

H

I

J

K

L

M

N

P

R

S

T

U

W

Z

CONVERTIBLE BONDS

May 29

EUROPE

MISCELLANEOUS

UNITED STATES AMERICA

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Amt	Security	%	Mat	Mid. Price	Conv. Period	Conv. Price	Conv. Prem. %
s 140	Elders Nv 445.65	11¾	'04 Jul	135	28 Sep 84	7 Jul 94	2.54
s 150	Jardine Math Pref/sh	7	'00 Jun	160½			
s 50	Nat Overseas 1119.56	10½	'94 Jul	123	1 Nov 84	26 Jul 94	1,500

Explanation of Symbols

CNS	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
£	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NMD	Norwegian Kroner - DM		

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New Eurobond Issues

Compiled by Laurence Desvilettes from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Fleet Financial Group	$100	1998	0.10	100	99.60	Over 3-month Libor. Callable at par in 1991. Fees 0.40%.
Italian Int'l Bank	$ 30	1996	3/16	100	—	Over 6-month Libor. Callable at par in 1991. Fees 0.50%. Denominations $10,000.
Banca Nazionale dell' Agricoltura	ECU 100	1993	1/16	100	99.80	Over 6-month Libor in first 5 years, then ⅛ over in last 2 years. Callable at par in 1987. Redeemable at par in 1991. Fees 0.23%.
FIXED-COUPON						
All Nippon Airways	$100	1996	8¼	100½	95.75	Noncallable. Fees 2%.
Danish Export Finance	$100	1991	8	100¾	96.75	Noncallable. Fees 1⅞%. Denominations $10,000.
New Zealand	$100	1990	7¾	100⅛	—	Noncallable. Fees 1⅜%.
New Zealand	$100	1993	8	99¼	—	Noncallable. Fees 1⅝%.
Province of Nova Scotia	$100	1989	8	101	98.75	Noncallable. Fees 1⅞%.
Société Nationale des Chemins de Fer de Belgique	$ 50	1992	8⅛	100⅝	97.75	Noncallable. Fees 1⅞%. Registered notes in denominations of $250,000.
World Bank	$150	2016	8½	100¼	97.13	Noncallable. Fees 2⅛%.
European Coal & Steel Community	DM 75	1992	5⅝	99½	—	Sinking fund to start in 1988. Private placement.
Industrial Bank of Finland	DM 125	1992	6¼	100	98.00	Noncallable. Fees 2¼%.
Portugal	DM 200	1994	6⅝	100¼	98.00	Noncallable. Fees 2⅝%.
Banque Nationale de Paris	£ 50	1993	9	99⅞	—	Noncallable. Fees 1⅞%.
Hessische Landesbank Girozentrale	£ 50	1991	9⅝	100¾	—	Noncallable. Fees 1⅝%.
Automobiles Peugeot	FF 1,000	1996	8	100	97.25	Noncallable. Fees 2%.
European Investment Bank	Lire 150,000	1994	10½	99¾	97.88	Callable at 101 in 1992. Fees 1⅞%.
Finance for Industry	DK 1,000	1996	9	101½	98.25	Noncallable. 500 million kroner issued now and 500 million reserved for tap. Fees 2%.
Nippon Telegraph & Telephone	ECU 130	1993	7	100¾	98.88	Noncallable. Fees 1⅝%.
Quebec Urban Community	C$ 35	1996	9½	100½	97.50	Noncallable. Fees 2%.
Kumagai Australia Finance	Aus$ 40	1991	13⅝	100	98.00	Noncallable. Fees 2%.
EQUITY-LINKED						
Alco Health Services	$100	2001	open	100	—	Coupon indicated at 6%-6½%. Noncallable. Convertible at an expected 20%-24% premium. Fees 2½%. Terms to be set June 5.
Alps Electric	$200	1993	3	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 2,143 yen per share and at 170.80 yen per dollar. Fees 2¼%. $150 million issued in Europe and $50 million issued in Asia.
Eastman Kodak	$300	2001	6⅜	100	99.63	Callable at par in 1989. Convertible at $76 a share, a 26.4% premium. Fees 2½%. Terms to be set June 4.
Fuji Heavy Industries	$200	1993	open	100	—	Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 4. $150 million issued in Europe and $50 million issued in Asia.
Hanwa	$ 80	1993	3⅛	100	95.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 977 yen per share and at 172.85 yen per dollar. Fees 2%.
Iseki	$ 70	1991	open	100	96.50	Coupon indicated at 2⅞%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 3.
Mitsubishi Petrochemical	$ 70	1993	open	100	—	Coupon indicated at 3⅛%. Noncallable. Each $10,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 5.
Orient Leasing	$ 60	1991	open	100	—	Coupon indicated at 2⅞%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 5.
U.B. Finance	$ 75	1996	6½	100	100.75	Noncallable. Each $1,000 note with 271 five-year warrants exercisable into United Biscuits' shares at 247 pence each, a 0.81% premium. Fees 2½%.
Uny Company	$ 60	1991	open	100	—	Coupon indicated at 2⅞%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 6.
Banque Leu Luxembourg	DM 100	1996	2½	100	100.50	Callable at 101 in 1992. Each 5,000-mark note with 2 five-year warrants exercisable into a total of 6 bearer participation certificates at 620 Swiss francs each, a 0.80% discount. Fees 2½%.
Kobori Juken	DM 40	1991	1	100	112.00	Noncallable. Each 5,000-mark note with one warrant exercisable into company's shares at 1,405 yen per share and at 75.19 yen per mark. Fees 2¼%.
WARRANTS						
Solomon	0.25	3 mos	—	$14	—	Call warrants exercisable at 101½ into U.S. Treasury's 7⅜% bonds due 1996. Warrants may be extended in 3-month periods until May 1994, for $10 each time.

Prices Slump On New Fear Of Higher Interest Rates

United Press International

NEW YORK — Bond prices fell sharply when a brisk 1.5-percent rise in the leading indicator index and a continuing growth in money supply renewed fears of higher interest rates that economists say are misplaced.

The newest 30-year Treasury bond, the 7¼-percent coupon that matures in 2016, closed at 94 (7.77-percent yield) on Friday, down from 97⅜ the previous week. Other

U.S. CREDIT MARKETS

Treasury issues lost ½ to 4 points. Five-year notes auctioned Wednesday brought an average yield of 7.53 percent.

Short-term rates were sharply higher on the week. Three-month Treasury bills closed at 6.31 percent from the previous Friday's 6.18 percent and six-month bills at 6.43 percent, up from 6.25 percent.

Philip Braverman, economist at Irving Securities, said the price slide was caused in part by heavy inventories of government dealers.

"Dealers bid too aggressively for the Treasury's five-year note, producing unattractive yields," he said. Then a subsequent lack of retail buying at the 7.53-percent yields coincided with Japanese and domestic selling.

Another negative is the very heavy short, or sell, positions that remain in the old 9¼-percent, 30-year Treasury bond that were put on ahead of the latest refunding. Mr. Braverman said reduced costs of borrowing these bonds led some market participants to believe, probably incorrectly, that the long bond had been covered.

Most of the bond sell-off came after the government reported the rise in leading indicators Thursday.

Fears that this would prevent further easing by the Federal Reserve Board and could even cause higher rates were exacerbated by another rise in money supply that pushed it more than $14 billion above the Fed's upper growth targets.

But Henry Kaufman, chief economist of Salomon Brothers Inc., said the "fears appear exaggerated on both counts." He said the economy has not yet accelerated from the 2 percent-to-2.5 percent average growth rate of the past seven quarters.

"In addition, while the Fed is discouraging declines in interest rates, there is nothing to suggest that it is contemplating a tighter policy," Mr. Kaufman said.

Mr. Braverman said the indicators and the strong economic showing in the widely followed National Association of Purchasing Managers index "grossly overstate the strength of the economy."

U.S. Consumer Rates

For Week Ended May 30

Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	7.70 %
Money Market Funds Donoghue's 7-Day Average	6.38 %
Bank Money Market Accounts Bank Rate Monitor Index	6.31 %
Home Mortgage FHLB average	10.57 %

Colgate Drops Bates Agency After 46-Year Relationship

The Associated Press

NEW YORK — Ted Bates Worldwide, which recently agreed to be acquired by Saatchi & Saatchi Co., has been dropped after 46 years as one of the advertising agencies for Colgate-Palmolive Co.

The consumer products company said it was consolidating its global advertising business with two other agencies that have been handling Colgate assignments, Young & Rubicam and Foote, Cone & Belding.

They will receive nearly $100 million in billings that had been handled by Bates, the announcement said Friday. Billings are what a company pays for advertising; an agency typically gets 15 percent of billings for its work.

Officials at Ted Bates and Saatchi & Saatchi could not be reached for comment.

There had been speculation since the Bates-Saatchi agreement was announced May 12 that Colgate would drop Bates because of a conflict. Another of Saatchi's agencies, Saatchi & Saatchi Compton, works for a Colgate rival, Procter & Gamble Co.

Executives at Bates pointed out that the two U.S. agencies would operate independently of each other, sharing only a corporate parent who would be several thousand miles away in London.

The Colgate announcement made no mention of the issue, however. "We are making this move to further strengthen our marketing thrust by achieving global brand alignment with a single agency working on a specified brand in all markets," Reuben Mark, chief executive at Colgate, said.

Asked whether a conflict caused Colgate to drop Bates, a Colgate spokesman, Gavin Anderson, said he would "have to believe it was something that was considered," but added, "I don't think you could lay it firmly and totally on that doorstep."

MALAYSIA: Commodities Plan

(Continued from first finance page)

ously threatened to leave all international commodity marketing arrangements.

Malaysia has now indicated that it believes producers, too, must show more flexibility over commodity output and marketing.

Speaking at the end of a four-day visit to Indonesia to discuss closer cooperation over commodities, Mr. Leong said:

"We are not talking about quotas any more, because there are ways around quotas. We are talking about a new approach, a planned approach to future production."

He said there was an urgent need for commodity-producing nations to set up a system for predicting demand and then agreeing on production levels, possibly five years ahead, so that output could be adjusted.

"We want to establish a system under which an equilibrium can be achieved between the needs of producers and consumers," he added.

The reason for depressed prices of almost all commodities, Mr. Leong said, was excess production that could only be tackled through international cooperation.

He noted that Brazil and China, two important tin exporters that are not members of the Association of Tin Producing Countries, would be invited to take part in the association's ministerial meeting to be held in Indonesia in October.

Some sources involved in commodity production and trading in Southeast Asia are skeptical that the Malaysian call for international cooperation will add up to much.

They say cooperation will founder, as it has in the past, when individual producer countries are asked to cut output below a level they think is politically sustainable, and when consuming countries are asked to pay prices higher than they feel are reasonable.

However, Malaysian officials maintain that the impact of falling commodity prices has had a sobering effect on producers, including the United States and the European Community, and that major participants in world commodity markets now realize that everyone will suffer if more equitable and stable prices are not achieved.

ACCOR

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Accor shareholders approved the Group's 1985 financial statements. Net earnings for the year, excluding exceptional items, amounted to F.Fr. 178.2 million, an increase of 25.5 % as compared to 1984, and an increase of nearly 100 % as compared to 1983, the year the Accor Group was formed.

After tax earnings per share before exceptional items rose 18.2 % over the 1984 figure. The Meeting voted a per share dividend payment of F.Fr. 5.80 (to which is added a tax credit of F.Fr. 2.90 for a total yield of F.Fr. 8.70 per share), an increase of 18.4 % over the 1984 dividend. The dividend is payable August 4, 1986.

These results stem from the policy of strong growth Accor has applied over the last several years in France and abroad in the four business sectors in which we intend to be among the world leaders: Hotels, Commercial Restaurants, Institutional Food Service and Meal Vouchers.

Our first objective: growth in Europe

Accor, now operating in 64 countries, is moving closer to achieving its objective of a strong European presence outside France. In 1986, we will begin to reap the fruits of our investments in Germany, Great Britain and the Benelux countries.

Our second objective: quality products and services.

Accor's policy is to offer strong, clearly defined products and services whose quality combined with Group productivity are in great part responsible for our growth in profits. The ambitious training programs developed and offered throughout the Group are one of the cornerstones of this policy.

1986 wil be a year of further expansion in France and in other international markets in our main sectors of operation:

- In France, where our successful takeover bid for the CNIT, Paris largest exhibition center, will give us another base for domestic growth;
- In Africa, and above all in North America, where we plan to strengthen and expand the projects now under way;
- In South East Asia and the Far East, where we will continue to pioneer in the hotel sector, as demonstrated by our recent association with Shui-On, a large Chinese construction company based in Hong Kong.

Both sales and earnings have progressed satisfactorily in the first four months of 1986. They have surpassed the objectives set, in a time context in which the price controls clamped on the hotel industry in France will finally be lifted. This will allow us the flexibility we need for fast reaction to changing market trends.

Growth in Accor's 1986 consolidated net income promises to be more than 25 %.

Arab Banking Corporation

announces the opening of its

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Trinkaus & Burkhardt

200 years of banking

1985: An exceptional year

Group Accounts 1985

Selected Data	in DM million	Change as against 1984
Total business volume	7,381	+ 2.2%
Balance sheet total	6,109	+ 3.2%
Credit volume	4,343	./. 7.7%
Securities Holdings	1,248	+ 53.5%
Capital resources	219	+ 17.1%
Net interest	91.3	+ 5.3%
Net commission	77.2	+ 54.4%
Basic operating result	52.6	+ 20.9%
Pre-tax profit	63.4	+ 23.4%
Post-tax profit	29.4	+ 14.3%

Conversion to a KGaA, stock exchange floatation and our bank's bicentenary were the outstanding events of a year in which record profits were achieved. Against the background of deliberately restrained balance sheet growth, the bank was able to increase fee earning business strongly. Favourable market conditions contributed to a rise of more than 50% in securities transactions and the volume of foreign exchange dealing with customers doubled. Net commission income grew by 54% and thereby reached 85% of net interest – an indication of Trinkaus & Burkhardt's pronounced merchant banking character. The General Partners have proposed that dividends of DM 14 million, or DM 8 per nominal DM 50 share should be paid out of the 1985 profit; our new shareholders are entitled to a half year's dividend.

PUTTING CAPITAL TO WORK

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WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

AMSTERDAM — The Amsterdam stock market performed well last week, with the general index falling only marginally from the previous week's record level and the general local and industrial sub-indexes reaching new highs.

The general index closed Friday at 289.2 points from 289.7 the previous week, while the general local index hit a record of 298.6, compared with 297.2 the week before. The industrial index also set a high at 280.2, from 277.2 the previous Friday.

Analysts said the market was encouraged by Finance Minister Onno Ruding's suggestion last week that a maximum limit be introduced on stamp duties imposed on security transactions, with a slightly higher duty rate for small transactions. Renewed foreign interest also sustained the positive trend, the analysts said.

Volume was 5.224 billion guilders last week, down from 7.460 billion guilders the previous week.

Frankfurt

FRANKFURT — Foreign investors turned their attention last week to more attractive markets, such as the Netherlands, causing the Commerzbank index here to close 32.1 points weaker at 1,969.

The index fell 10 percent during May, as investors were influenced by the slowdown in first-half growth and waited out regional elections in Lower Saxony on June 15 that are likely to be crucial for the center-right coalition of Chancellor Helmut Kohl.

Most blue-chip issues lost ground. The major exceptions were chemical companies Hoechst and Schering, which each gained 8.80 DM to close at 291.80 DM and 579 DM, respectively.

Share value totaled 2.099 billion DM, down from 2.231 billion DM the previous week.

Hong Kong

HONG KONG — The Hong Kong stock market eased off last week, in spite of the optimism expressed in the sale Tuesday of the Victoria Barracks site to Swire Pacific Properties for 1.005 billion Hong Kong dollars.

The Hang Seng Index finished down nearly 30 points at 1,787.96, while the Hong Kong Index dropped 17.65 points to close Friday at 1,111.53.

The already-high Hang Seng Index, rather than reacting positively to the Victoria Barracks auction, plunged 38.83 points Tuesday. Heavy selling by local profit-takers continued Thursday, but prices rebounded late Friday when bargain hunters moved in.

Daily volume averaged about 293.11 million dollars, down from the previous week's 366.32 million dollars.

London

LONDON — Shares resumed their downward trend last week on the London Stock Exchange, where trading activity was curtailed by the long British bank holiday weekend and the Memorial Day holiday in the United States.

The Financial Times 30-share index closed Friday down 10.2 points on the week, at 1,321.2.

Sentiment was unsettled by a £275-million share placing by ITT Corp. of its 51-percent holding in the insurance group Abbey Life, and by several other smaller calls for cash. Investor enthusiasm also was dampened by fading hopes for another cut in interest rates.

The volume of transactions fell to 99,514 from 129,419 the previous week.

Milan

MILAN — Prices on the Milan Bourse fell 12.7 percent last week, despite a spectacular recovery Friday from a slide of 9.82 percent on Thursday.

The Comit index rose 7 percent Friday to close the week at 782.90, down from 896.58 the week before. Prices fell almost 20 percent between Monday and Thursday.

Analysts attributed the decline to a re-adjustment after disproportionate gains over the past five months.

The bourse also reacted to fears that Prime Minister Bettino Craxi might impose a capital-gains tax on profits earned in the market. These fears were dissipated Friday, leading to a recovery that was boosted by profit-taking.

Fiat fell 15 percent over the week, while Olivetti and Montedison both lost 16 percent.

Volume totaled 283.6 million, compared with 318.6 the previous week.

Paris

PARIS — The Paris stock exchange, after suffering its sharpest fall in five years on Monday, managed to stage a timid recovery by the end of last week.

In six sessions since the start of the new term on Friday, May 23, French issues have lost more than 8 percent, with the CAC index closing Friday at 354.6 from 385.8 a week earlier. The index has slipped 15 percent since hitting its peak of 411.8 on May 15.

On Monday the exchange was shaken by a 6.77-percent plunge in French issues. Analysts said the market had been showing signs of vulnerability as investors were reluctant to buy shares they had come to consider overpriced. Bad economic news and domestic political frictions were also said to have discouraged foreign investors.

Trading recovered on Tuesday, rising 0.4 percent before slipping 1 percent Wednesday as British investors, in particular, placed their money elsewhere.

Singapore

SINGAPORE — Enthusiastic buying by local and foreign companies gave a strong boost to the Singapore stock market last week.

The Straits Times industrial index gained 54.2 points, to reach 656.00 points, the highest level since November. Average daily volume was 15.2 million units, valued at about $12 million, up from the previous week's average of 6.5 million units at $6 million.

Analysts said the market was adjusting after months of uncertainty and predicted the upward trend would continue.

Promet was the week's most active issue with 4.4 million shares traded, followed by Sime Darby with 2.4 million and TDM with 2.1 million units.

Tokyo

TOKYO — Encouraged by the sharp appreciation of the dollar, share prices rose on the Tokyo stock market last week, with the Nikkei average hitting new highs six sessions in a row.

The 225-blue chip average, which gained a whopping 565.93 yen the week before, rose another 465.79 yen to finish at 16,670.77 yen Friday.

The composite index of all common stocks listed on the first section also set a high on Friday of 1,300.11 points, topping the 1,300-mark for the first time.

Wednesday's volume was 1.2 billion shares, the ninth-largest daily volume in the exchange's history. The daily average soared to 731.25 million shares from the previous week's 420.8 million, while the average daily value rose to 608.61 billion yen from 284.012 billion.

Zurich

ZURICH — Trading was mixed on the Zurich exchange last week, with the Société de Banque Suisse index closing at 647.1 Friday from 646.8 the week before.

In banks, Crédit Suisse gained 20 points over the week to 3,800, but Banque Populaire Suisse lost 55 to 2,530. In financials, Electrowatt gained 50 to 3,575, while Oerlikon-Bührle lost 40 to end at 1,840.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Mr Gasket	6½	6¾
Bitter Corp.	4⅛	4¾
Mag	1½	1¾
Moduloire	11¾	12½
Rodime	10¼	10½

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These prices are as of May 29, 1986

هكذا من الأصل

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

A

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A&M Fd			1548	14⅝	13⅛	14⅝	+1⅛
ABS	.40	2.1	51	19¼	18⅝	19	+1
ADC s			588	21⅞	20	21⅞	+ ¼
AEC	.32	2.9	89	11⅝	11	11	
AEL			823	14	12¾	13¼	− ½
AEP			82	14	12½	12½	− ½
ALC Cm			233	7¾	6¾	7	− ¼
ARC Intl			2327	6⅞	5⅝	6⅝	+ ½
ASK			3904	13⅝	12	13	+ ⅜
AST			2474	17	15¼	16	− ¼
AT&E			1357	14⅞	12¾	14	+ ⅜
ATE			126	5½	5¼	5½	
AamRt			1549	18	17	17¾	− ¼
Abrams	.24	3.8	2	6¼	6¼	6¼	
AcaJoe			1550	5	4⅜	4⅝	− ⅞
Acadin			8844	3⅛	2⅝	2⅝	− ⅜
Acelrtn			1429	13⅛	12	13¼	+1¼
AcuRay	.24	.8	483	28⅞	27½	28½	+1
Acelo	.14r	.7	34	20¼	19¾	20¼	+ ¼
ACMAT			122	17	14½	17	+2
Acivsn			1458	1⅝	1⅛	1⅝	
Actmed			4278	28¼	26⅛	28¼	+2¼
AdacLb			1620	1⅞	1⅝	1⅝	− ⅛
Adage			1847	4⅝	4	4½	− ⅜
AdianW	.80	2.1	1300	38⅞	37⅝	38⅛	− ⅜
Adia	.09e	.3	240	32	29	32	+3
Admac			4127	12⅝	9⅞	10⅝	−1⅝
AdvCir			325	8¼	8	8¼	
AdCpt			677	6⅝	5⅝	6⅛	+ ¼
AdvGen			584	5⅞	5⅛	5⅞	− ⅛
AdvSem			240	11¾	11¼	11½	+ ½
AdvTel			1604	8¼	7⅜	8	− ¼
Aequtrn			1348	6⅝	5⅝	6⅛	+ ⅛
Aegon	.34e	.8	70	44	42½	43⅞	
AerSvc			289	3	2⅝	2⅞	
AerSysl			488	1⅞	1⅜	1⅞	
AfIBcp	.25t		104	13½	12¾	12¾	− ¾
AfIBsh	.80	4.7	912	17	16½	17	+ ½
AgcyR s			2058	37½	34½	37½	+2¾
Agnico g	.15		607	15⅛	14⅝	14⅝	− ⅛
AldCp	.24e	1.8	79	13¼	12⅝	13¼	+ ⅜
AirCrg s			177	7⅛	7¼	7¾	− ⅜
AirMd	.10e	2.1	1160	5⅛	4⅝	4⅝	− ⅛
AirWisc			1655	14⅜	14	14⅜	− ⅛
AlaFdl			507	19½	18	18¾	− ⅜
AlskBc	.44e	6.2	142	7½	6⅞	7⅛	+ ½
AlskMt	.25t	2.4	814	11	10⅝	10¾	− ½
AlskNt			1	6	6	6	
Alaten	2.20	6.9	60	33½	30	32	
AlbCul A	.21	1.0	954	21¾	20	21¼	+1½
AlcoHlt			3015	23¾	21¾	22	−1¾
AlexBr			929	34¼	32	32	−2
AlexB	2.04	3.4	1610	60¼	58¼	59½	+1
Algorex			142	6⅝	6¼	6¼	− ⅜
Allcoln	.90	1.0	83	91½	90	90	− ½
Allied	.24	1.1	822	21¾	20¾	21¼	+ ¼
AllegBv	.40	1.7	2932	23½	22⅛	23⅛	+1
AlnOrg	.24a	.7	17	37	36	36	− ½
AlldBn	.84	5.0	3041	17¼	16¾	16⅝	
AlldCo s	.72a	3.3	145	22	20½	22	+1½
AlldRsh			1481	6⅝	5⅝	6	+ ⅜
AllyGar	.15e	1.3	127	11⅞	11¼	11¼	+ ⅛
AlpMic			61	7	6¼	6⅝	− ⅛
Altrncr			194	3½	3¼	3½	+ ⅛
Altos			4516	17⅛	15⅝	15⅞	−1⅛
Altron			12	10½	9¾	10½	+ ⅜
Amcast	.44	3.4	166	13¼	12½	13	− ¼
Amcole			360	7	6⅛	6¼	− ⅜
AFFMI			131	4⅝	3½	3½	− ⅜
AFFMI2			199	15	14⅛	14⅝	+ ⅛
AFTxEx	.28e	1.3	386	21¾	20½	21¼	− ¼
AWAirl			1572	10⅝	10¼	10⅝	− ⅛
AmAdv	t		566	1⅝	1⅛	1⅛	− ⅜
ABusp			200	7	6	6	−1
ABkCl s			85	22½	20	21	
ABnkr	.50	3.4	931	15	14¼	14¾	− ¼
ABrk g s			1482	10	9½	9⅝	+ ⅛
AmCarr			2509	16¼	15⅛	16	+ ⅜
AmCity			87	27	26	26¼	− ⅛
AContl	.10e	.9	216	11⅛	11	11	− ⅛
AmEcol			767	36¼	34¼	36	+1¼
AExpl			461	2⅝	2⅛	2⅛	
AFdSL	.60	3.2	383	18⅞	18¼	18¾	− ¼
AFltm	1.40	3.6	130	39¾	37½	39	+ ⅛
AmFrst	t		102	4	3⅝	3⅝	− ⅛
AFletch	1.00	1.8	1834	54⅛	52⅞	54⅛	+ ⅜
AFurn	.28	2.0	331	14⅞	14¼	14¼	− ½
AGreet	.66	1.7	6413	37⅞	36⅛	37⅞	+ ⅞
AHSld s			1901	8	7⅛	7⅜	− ½
AmInLf	.40	3.2	2566	12½	11⅞	12⅛	+ ⅛
AIndF	1.12	5.4	65	20¾	19⅞	20¾	+ ⅜
AInsMt	1.71e	9.0	131	19⅛	19	19	
AmIntag			1757	25	22⅛	22⅛	−2⅛
AInvLf s	.20	3.4	272	6⅛	5⅝	5⅞	− ⅜
ALand	t		1674	8½	7¾	8½	+ ⅜
ALnd wt			10	2	2	2	+ ⅛
AmList			91	20	18	18⅛	− ⅜
AmLck	.28e	2.5	18	11	10⅝	11	
AMagnt			184	4⅝	4¼	4¼	− ½
AMS s			102	38⅝	37	37	− ⅜
AMdSv s	.14	.9	1129	15⅞	14⅜	15⅜	+1⅛
AMidl			364	1	⅞	⅞	
ANtIld	1.24	3.1	229	40	39⅛	39⅞	
ANtIns	1.20	3.1	1112	38⅜	35⅝	38½	+3⅛
ANucIC			98	2⅝	2⅛	2⅜	+ ⅛
AmNucl			150	2⅞	2⅜	2⅞	+ ⅛
APhyG			430	4½	3⅝	3⅞	+ ⅛
APion			141	9⅛	9	9⅛	+ ⅛
AmRest			3	3⅛	3⅛	3⅛	
ASavNY			3590	19⅛	18⅛	18⅞	+ ⅛
ASNY pf			382	22⅝	22	22⅝	+ ⅛
ASavWA			279	17	16⅛	16⅝	− ⅛
AmSec	1.02	3.0	192	34⅞	34	34⅝	+ ⅛
AmShrd			266	3½	3⅛	3⅜	+ ⅛
AmSoft			489	12½	12	12¼	− ¼
ASolar			400	1⅜	1⅛	1⅛	+ ⅛
ASurg			550	⅜	¼	⅜	
AmTrav			562	9⅛	8⅝	8⅞	
AWstCp	t		1381	13⅛	11⅞	12⅛	−1
Amrltr	1.76	3.7	2077	47½	46½	47	+ ⅜
Amrwst			212	22⅛	20½	20½	−2
Amertk			676	3⅝	3⅛	3⅝	+ ⅛
Amgen			5548	28⅝	25⅝	25⅝	−2⅝
Amistar			148	8⅛	8	8	
AmskB s	.50	2.0	1127	25⅛	24½	24⅝	− ⅛
Amosk	1.20a	1.6	107	77	65	75	+12
Ampad	.40	2.1	2123	22½	19¼	19⅛	−3⅛
Anadite			110	7⅛	7⅛	7⅛	− ⅛
Anlogic			800	12⅝	12	12⅛	− ⅛
AnalyTc	.10	1.0	99	10⅛	9⅝	9⅞	
Analyt			179	7½	7	7½	+ ⅛
Anaren			681	11	10⅛	11	+ ¼
AndrGr			161	10	8⅛	9⅝	+ ⅜
Andovr			1855	11½	10⅛	11	+ ⅛
Andrew			577	21½	20⅜	21	
Andros			2563	13	9	11½	+2⅛
Animed s			1931	8⅛	7⅛	7⅛	
Anitec	.40	1.4	598	28⅝	26½	27⅛	+1⅛
Apogee	.14	.7	1581	18⅝	17⅛	18⅝	+1
ApoloC			5653	15⅛	14⅛	15⅛	− ⅛
AppIBk			1454	26	24½	25⅜	+ ⅝
AppleC			23243	37½	35⅛	37	
ApldBio			2064	26⅝	24	26⅛	+1⅛
ApldCm			1	26½	26½	26½	− ⅛
ApldDt			16	5⅛	5⅛	5⅛	
ApldM s			1318	14⅝	14	14½	
ApldSlr			69	11⅝	11½	11½	− ¼
Archive			1288	11½	10⅛	11	− ⅛
Arbor			1191	24	21¾	22⅝	+1
Ardon			265	25¾	23½	25¼	+1½
ArgoSy			1034	21¾	20¼	21¼	+ ¼
ArizB	.80b	1.9	1745	43⅝	42¼	43	− ⅛
ArkRst			407	13⅛	9⅜	11⅛	+2
Arnold s	.40	1.0	27	45	41	41	−2
ArowB s	1.92	2.5	8	76	70	76	+2
Artel			315	4½	4⅛	4⅝	
Ashton			8788	33⅛	30¼	32⅝	+2½
AspenR			114	2⅞	2½	2⅝	
AsdBc s	.48	2.2	96	21¾	20½	21½	
AsCmA			83	47¾	45½	47	+1⅛
AsCmB			402	47¾	44¾	46¼	+2¼
AssdCo	.10e	1.6	10	6⅝	6⅛	6⅛	
AsdHst	.12	1.4	639	8⅞	7⅝	8½	+ ⅝
AstroM			401	10⅞	10¼	10⅝	+ ¼
Astrcm			74	3⅝	3⅛	3⅛	− ⅛
Astron s			41	20¼	9½	10¼	−1⅛
Astrosy			853	10	9	9⅝	− ⅛
Atcor	.48	2.3	1723	21¼	20⅝	21	
AtlnF s			154	23⅝	23	23⅝	+ ¾
Athey	1.52t	8.2	142	19½	18	18½	
AtlcoF	.20	1.2	281	17⅛	17	17⅛	− ⅛
Atkinsn	.84	4.6	610	18¼	17½	18¼	+ ½
AtlGsLt	2.80	7.0	1319	40	39	39⅝	+ ⅜
AtlAm s	.24	1.4	264	17½	16	17½	+1½
AtlnFd			210	14⅝	14	14⅝	+ ⅜
AtlFin	.10e	.6	1716	16⅛	15⅞	15⅞	+ ⅛
AtlF pf	1.05	7.5	111	14⅝	14⅛	14⅝	+ ⅛
AtlPr h			34	8⅛	7⅛	8⅛	+ ⅛
AtlRes s			1868	29⅞	28	28⅛	− ½
AtlSeAr			3048	15	13⅝	14	− ⅛
Austron			146	2⅝	2⅛	2⅛	
AtwdOc			446	13⅝	13½	13⅝	+ ⅛
AutTrT	t		231	4⅝	4⅛	4⅛	− ⅛
Autoclv	.16	2.4	100	7⅛	6½	6⅝	+ ⅛
Autodsk			3172	32⅞	31⅛	32⅝	+ ⅛
Autodie			264	25⅝	23⅝	24½	− ½
AutoSv			202	8⅛	7⅝	8⅛	
Autmtx			1035	4½	4	4½	+ ⅜
AutoCp	t		19	9⅝	8⅛	8⅝	+ ⅛
Auxton			1079	10	9½	9½	−1⅛
AvntGr			289	4½	4	4	− ⅛
Avntek			12554	19⅝	18⅛	19⅝	+1
Avatar			403	25½	24½	25½	+ ⅛
AztcM	.06	2.0	260	4⅛	3⅝	4	

B

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
BBDO s	1.20	4.0	454	30⅝	29⅝	29⅝	− ⅛
BGS			166	13	12⅛	12⅞	+ ⅛
BIW Cb	.10	1.1	61	9½	8⅝	8⅝	− ⅛
BNH s			31	32	25	32	+3½
BPI Sy			279	3⅝	3⅛	3¼	− ⅛
BRCom			84	8½	8	8⅛	− ⅛
BR Intec			724	19	18⅛	18½	+ ⅛
BT Fncl	1.36	3.3	37	42	40½	41¼	+ ⅛
BTR s	.06	.6	19	9⅝	8½	9¼	+ ⅛
BairdC			1083	10	9⅛	9½	+ ⅛
BakrFn	1.00a	2.0	1195	50¼	49	50¼	+1¼
BaldLy	.80b	.7	8	114	108½	108½	−2½
BldLyB			2	25	25	25	+4
Baltek	.10e	.9	95	11⅛	10⅝	10⅝	−1
BalBco	.50e	1.0	699	48½	46¼	48⅝	+1⅛
BnPnc s	1.00	3.2	376	31½	30¼	31	+ ¼
BnPop	1.12a	3.3	341	34⅝	33	34½	+1½
Bancokl	.40	4.8	330	8⅝	8⅛	8⅛	− ¼
BcpHw	1.36	2.5	4245	55	49½	55	+5
BcMiss	.50e	1.1	121	47⅝	46½	46⅝	+ ⅛
Banctec			1016	12⅝	12⅛	12⅝	+ ⅛
BangH	.80	6.4	386	12⅝	12½	12½	− ⅛
BnkDel	1.32	3.4	202	39½	37½	38½	+1
BkGrn s	.44	1.4	82	32⅛	31	31	
BKNE s	1.12	3.0	4488	38½	35⅝	36⅝	+1
BkSou	.64	2.0	146	33	30¼	32⅛	+1⅛
Bnkest	.80	3.3	120	24⅝	23⅝	24	− ⅛
BnkFst			557	14½	16	16	− ⅛
BkrNte			296	20	18½	20	+1⅛
BkIowa	.80b	1.4	17	56	55	56	
BkMAm	1.00b	12.1	1578	8½	7⅛	8⅛	− ⅛
Bankvt	.05r	.2	852	30¾	28½	30⅛	+1½
Banta	.40	1.8	3594	22⅝	20⅛	22⅛	+1⅛
Barden	1.00	3.8	43	28	26⅛	26½	
BaronD			381	10⅛	9⅝	10⅛	
Barris s			11207	25½	22	25⅛	+2⅞
Barstr s			489	17¼	15	15⅛	−2
Barton			551	1⅝	1½	1½	
BsTnA			71	10	9½	10	+ ½
BasAm	1.091	10.1	321	11⅛	10⅛	10⅝	
BsRInt s			14003	⅝	⅜	½	
BestF	.80a	1.6	509	50	45⅛	50	+4⅝
BatlMt	.10e	.5	5559	22⅛	12½	20	[illegible]
BayPac			436	7⅛	7	7	− ⅛
BayaSL s			763	34	28½	28½	−3½
BayBks			1599	45⅛	44	45	+ ⅜
Bayly	.12	.8	2776	15⅛	14⅛	14⅝	− ¼
BeautiC			360	28	25	27½	+2
Bedbas			7383	27½	22¼	25⅝	+1⅛
BlFuse s			143	8⅛	7⅝	8¼	+ ¾
BellW	.18	1.4	102	7	6½	7	
BenJer			1307	23⅝	17⅛	21½	+3⅝
BnchCf			455	15⅛	15⅛	15⅛	+ ⅛
Benhan			791	11⅛	10⅛	10⅞	+ ⅛
Bercor			307	9⅝	9⅛	9⅛	+ ¼
Berkley	.32	.6	3018	58	54½	57⅛	+2⅛
Berkline	.30	3.3	93	16	15⅛	15⅝	− ⅛
BerkGs	2.12	7.2	10	31½	29⅛	29½	−2
BerkHa			282	278	276	280	+40
BestBy s			6574	26⅝	25⅛	26⅛	+ ⅛
BetzLb	1.32	3.2	2154	42⅝	38⅜	40⅝	+1⅛
Big B			1143	18⅛	15⅝	16⅝	+1⅛
BigBear	t		823	17⅛	15⅝	17½	+ ⅛
Bindly			3614	17⅜	16⅛	17⅜	+ ⅜
BingSv			779	21½	17⅛	20	+2⅛
BioLog s			1019	10	9⅝	9⅝	
BioRes			2928	9½	8⅛	8⅛	− ½
Biogen			25850	17	15⅛	16⅞	+ ⅝
Biomet s			681	18½	17	17½	− ⅛
BiotcR			77	8⅛	7⅛	7⅝	− ⅛
BirdInc			954	10⅛	9⅛	10⅛	+1
BirdInd			1102	1⅝	1	1	− ⅛
Birdvw			1861	1⅝	1⅛	⅞	+ ⅛
BirStl			2417	19½	17⅛	18½	+ ⅛
Birtchr			25	4⅝	4½	4⅝	+ ⅛
BlsbGr			241	3⅝	3	3	− ⅝
Blackl	.30e	1.3	132	26	22	24	−2
Blasius			47	5⅛	4⅜	4⅝	+ ⅛
BlocD s	.50b	2.0	2001	26	24⅛	25½	+ ⅛
BoatBn	1.65	3.5	2667	47½	45	47⅛	+2
BobEv	.30b	1.1	1570	28⅛	27⅛	27⅜	
Bopert s			193	9⅝	8⅛	8½	−1⅛
Bohema			736	16⅛	14⅛	16⅛	+1⅛
BoltTc	.16	2.9	229	5⅝	5⅛	5½	
BooleB			303	6⅝	6⅛	6¼	
BoonEl			96	5⅛	5	5	
Boothln			740	7⅛	7⅛	7⅛	+ ⅛
BoothF	.30	1.6	192	18⅝	18	18½	
BostBc	1.08	2.9	1422	34⅝	33⅝	34⅝	+ ⅜
BstnDig			151	4⅝	3⅞	4⅛	
BstnFC	.60	1.5	1760	40⅝	38	39⅞	+1⅛
BradRE	.80	5.0	736	16⅛	16	16	+ ⅛
BradyW	.20	.5	181	41½	39¼	40	+ ⅛
BrseCp			478	9⅝	8½	9⅛	+1
Branch	1.24	3.1	109	40⅝	40	40½	+ ⅛
Brndin			285	7	6⅛	6½	+ ⅛
Branco	.12	2.0	632	6⅝	6	6⅛	

[illegible]

(Continued on next page)

Chicago Exchange Options

Figures as of close of trading Friday.

Option & price	Calls		Puts	
[illegible]				

Total Volume: 780,393
Open Interest: 5,856,019
r—Not traded. s—None offered. o—Old.

American Exchange Options

Figures as of close of trading Friday.

Option & price	Calls		Puts	
[illegible]				

Total Volume: [illegible]
Open Interest: [illegible]
r—Not traded. s—None offered. o—Old.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

EUROPEAN COMMUNITY

EC Sets Trade Proposal for Romania

By Steven J. Dryden
International Herald Tribune

BRUSSELS — The European Community Commission has hammered out a trade proposal for Romania, the first under a new trade understanding between the EC and the Soviet bloc, and a proposal for a second Eastern European country is expected within several weeks.

The commission submitted the draft to the EC Council of Ministers last week. It was the first proposal made under the EC's agreement with Comecon, the East-bloc trade organization, for mutual recognition and country-to-country trade accords.

The draft plan was made as East Germany and the Soviet Union signaled their willingness to conclude bilateral accords. The commission has now received positive replies from all of Comecon's East European members.

The Soviet reply was seen as particularly significant since Moscow has never formally recognized the EC since its founding in 1957. EC diplomats said the Soviet action was consistent with efforts by Mikhail S. Gorbachev, the Soviet leader, to improve relations with Western Europe.

In the past, closer trade links between the EC and East Europe have been hampered by Comecon's insistence that it negotiate a trade accord on a multilateral basis. The EC does not recognize Comecon's authority to negotiate trade agreements.

The commission sources would not say which Eastern European country the next proposal would cover. But they said that trade accords could be proposed for some countries on the basis of contacts already made, while further talks were necessary with other nations.

The Romanian proposal covers agricultural products and tourism as well as existing trade agreements. It also provides for the exchange of statistical information.

Britain Is Criticized On Move to Oust Official

The British government is coming under criticism for its apparent attempt to replace the head of the commission office in London.

Labor Party members of the European Parliament have charged that the British government has flouted commission personnel procedures by arranging for the replacement of George Scott, the current head of the office.

Mr. Scott's job was advertised internally at the commission several months ago, but the post will probably go to John Drew, a former diplomat who is a business consultant on European affairs, commission sources said.

Mr. Drew is said to be the favorite of the British government and Lord Cockfield, one of the two British EC commissioners. The government is said to believe he will do a better job than Mr. Scott of "selling" the community domestically when Britain takes over the EC presidency for six months in July.

The Labor Party parliamentarians have asked the commission why Mr. Scott, who was appointed in 1979, is being removed when directors of commission offices in other capitals have been in those positions for a decade or longer.

The commission has said it is normal for EC personnel to be rotated within the bureaucracy.

New Standards Are Set On Radioactivity in Food

The community has agreed on standards for permissible levels of radioactivity in food to replace the ban on agricultural imports from Eastern Europe imposed after the Chernobyl nuclear accident.

The ban had been attacked as a political move by the East bloc, which said it was not justified by scientific evidence.

The new standards, which conform to those of the United States, came into force Saturday after several days of debate. They deal exclusively with food levels of cesium, which is considered the most dangerous element because of its long radioactive half-life.

The standards adopted were stricter than those sought by France, which was reported to believe that the limits could provoke unnecessary public fears about nuclear power.

Commissioner Warns Italy on Wine Production

Carlo Ripa di Meana, the EC commissioner for culture, said in a letter published last week that five million hectoliters (182 million gallons) of Italian wine produced every year are made with artificial ingredients.

The surprisingly blunt letter from Mr. Ripa di Meana, who is Italian, to Prime Minister Bettino Craxi, urged the Italian leader to tighten controls on wine production.

Mr. Ripa di Meana said the recent deaths caused by Italian wine tainted with methanol was "only the logical and inevitable outcome" of an "inadequate" system for monitoring the 70 million hectoliters of wine produced annually in Italy.

If Italy does not impose stricter regulations, the community might be forced to take action to tighten controls, he said.

He offered no source for his claim on the volume of artificial Italian wine. A commission spokesman said the number was "Mr. Ripa di Meana's own," not that of the commission.

Trade Ministers Concerned Over Growing Protectionism

Agence France-Presse

SEOUL — Trade ministers from 14 countries expressed concern over growing protectionism around the world at a meeting that ended here Sunday, South Korea's trade and industry minister, Kum Jin-Ho, said.

The three-day informal meeting was to study ways and means to facilitate the preparatory process for a new round of Multilateral Trade Negotiations.

Mr. Kum, who chaired the meeting, said the participants expressed deep concern over protectionism. They also noted that the current drift of trade policies in the direction of sectoralism was "severely weakening and eroding confidence" in the multilateral trading system.

"Out of this concern, there arose a unanimity of views that the ministers should support the ministerial meeting to be held in Punta del Este, Uruguay, in September to promote the successful launching of the new round," Mr. Kum said.

The Seoul meeting also discussed such issues as trade in agricultural products and textiles and clothing.

The meeting made a substantial contribution to the early and successful launching of the new round of negotiations and resulted in substantial progress in reaching common views on certain crucial issues, Mr. Kum said.

Willy de Clercq, the European Community's commissioner for external relations, said the Seoul meeting underlined the "dangers that beset our open trading system and the responsibilities we all have to fight them."

Mr. Kum said that the Seoul conference had particularly brought out the obligations that each of the participating countries had toward the multilateral trading system.

The meeting was attended by trade ministers from Australia, Britain, Canada, the European Community, France, South Korea, Mexico, New Zealand, the Philippines, Sweden, Switzerland and the United States, the economic ministers of West Germany and Japan, the foreign minister of Uruguay and officials of the General Agreement on Tariffs and Trade.

Saga Says Elf Is Considering Norway Merger

Agence France-Presse

OSLO — The French energy giant Elf Aquitaine and the Norwegian oil company Saga Petroleum AS are negotiating a merger of the two companies' activities in Norway, a Saga spokesman said.

A statement of intent may be signed within five or six weeks, the spokesman said Saturday.

The two companies fit each other perfectly, industry sources said. Elf is one of the major foreign oil companies operating on the Norwegian continental shelf, while Saga, a Norwegian company, has easier access to drilling rights.

Saga Petroleum is facing large investments while falling oil prices are cutting revenue. Norway's energy minister, Arne Oeien, said a merger would be considered by the government, but would not promise that the new company would have the same privileges that Saga has.

Last Week's NYSE

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
IBM	88843	154¾	143⅞	152¾	+8½
Sperry	78678	74¾	73⅝	74⅝	+1⅛
AT&T	65732	25¼	24½	25	+¾
USSteel	55899	22¼	20⅝	21⅞	+1¼
OhioEd	52795	19⅝	18	19⅛	+⅛
FlaPrg	52169	37⅞	36¼	36⅝	—⅛
Chrys s	51625	39¼	36½	37¼	—½
TexUtil	50485	32⅝	31⅛	31⅝	+⅜
RJR Nb	46960	50	45⅜	48¼	+2¾
Sears	44385	48⅛	46½	47⅝	+1
AmExp	41995	64	60½	62½	+2½
BoxfTr	40686	21¼	20½	20¼	—⅛
Mobil	39944	31⅝	30⅛	31¼	—½
PepsiC s	39259	35⅝	31	33⅝	+2⅝
Navistr	37470	9⅝	9⅛	9⅛	
MesaP	34690	3½	2⅞	3½	+⅞
ITT Co	35887	49⅞	46½	48⅝	+2
FedNM	34461	36⅝	33⅝	34¼	—½
Anheus	34073	52⅝	46½	51⅛	+3⅝
Digital s	33234	93⅝	86½	91½	+3½
DualLt	32710	14⅛	13⅝	13⅝	+¼
PhilMr s	31983	70	65	69	+4
EKodk	31864	61	57⅜	60⅛	+2¼
GenEl	29945	81⅝	79½	79⅞	—⅛
GMot	29922	80⅝	77⅞	79⅝	+2½

NYSE Sales

	Sales Vol.
Total for week	567,620,000
Week ago	591,000,000
Year ago	429,610,000
Two years ago	352,650,000
Jan 1 to date	14,912,474,166
1985 to date	11,363,280,000
1984 to date	9,763,760,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1235	1322
Declined	718	656
Unchanged	253	236
Total issues	2206	2214
New Highs	203	197
New Lows	24	37

Last Week's AMEX

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
DomeP	60503	1⅞	¾	1⅛	+⅛
Wickes	41948	6⅛	5⅝	6¼	
LorTel n	15829	31¼	30	30⅝	+¼
BAT	14048	5⅞	5⅝	5¾	—⅛
FAusP n	13562	10⅝	10⅛	10⅜	+⅜
MayRw	12085	30½	29	29⅝	—1¼
WangB	11902	18	16⅞	17⅞	+1
KeyPh	10482	22⅝	18⅞	20	+1⅝
AExFF wt	8609	4⅝	4½	4⅝	+⅛
Hltvst n	7800	20⅞	19⅞	20⅝	
IntBknt	6409	7½	6⅞	7½	+1⅛
UnivRs	6257	5⅝	5¼	5⅜	—⅛
DeLau n	6072	17⅝	13⅝	17⅝	
ICH s	5389	27⅜	24⅞	26⅝	+1⅛
TexAir	5246	38⅝	32⅝	38¼	+4⅝
AlzaCp	4719	45½	42¼	45	+2⅝
Amdahl	4635	16½	15	16⅛	+1
AM Intl	4582	8½	8⅛	8⅜	
Hasbro	4456	50¼	48⅝	49½	+½
Husky g	4169	6	5⅜	5⅞	—⅛
HmeG a	3768	28⅝	26⅞	28⅜	+1⅞
IntBk wt	3727	2⅞	1⅞	2⅞	+1
CnStor s	3493	38⅜	35½	36	+⅜
IntThr n	3484	2⅝	2½	2⅝	
TIE	3407	5⅝	5⅛	5⅛	—⅛

AMEX Sales

	Sales Vol.
Total for week	48,670,000
Week ago	57,340,000
Year ago	25,930,000
Jan 1 to date	1,376,230,000
1985 to date	897,850,000
AMERICAN BONDS =	
Total for week	11,980,000
Year ago	7,980,000

AMEX Diaries

	This Wk	Last Wk
Advanced	422	424
Declined	356	358
Unchanged	146	135
Total issues	924	917
New Highs	92	88
New Lows	21	23

Treasury Bills

Figures as of close of trading Friday

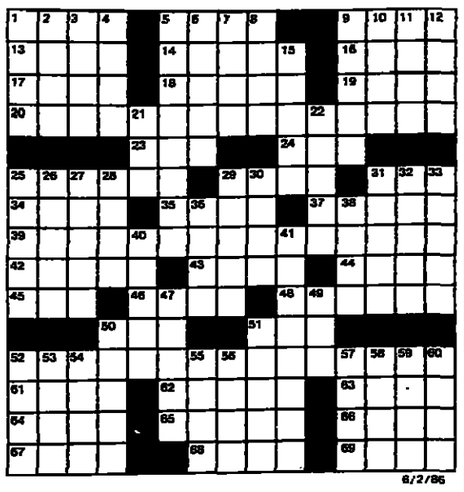
Hi	Lo	Mat		Bid	Ask	Yld	Chg
7.32	5.14	Jun	05 86	5.66	5.56	5.64	—.09
7.63	5.73	Jun	12 86	6.18	6.12	6.22	—.08
7.31	5.55	Jun	19 86	5.95	5.89	5.99	+.19
7.26	5.61	Jun	26 86	5.72	5.66	5.76	—.05
7.31	5.78	Jul	03 86	6.07	6.03	6.15	+.06
7.64	5.80	Jul	10 86	6.15	6.11	6.24	+.05
7.28	5.77	Jul	17 86	6.17	6.13	6.26	+.05
7.27	5.72	Jul	24 86	6.18	6.14	6.28	+.05
7.26	5.75	Jul	31 86	6.21	6.17	6.32	+.05
7.67	5.75	Aug	07 86	6.27	6.25	6.41	+.07
7.17	5.74	Aug	14 86	6.22	6.18	6.35	+.05
7.17	5.75	Aug	21 86	6.27	6.25	6.43	+.07
7.06	5.73	Aug	28 86	6.30	6.28	6.47	+.11
7.44	5.64	Sep	04 86	6.29	6.25	6.44	+.11
6.60	5.76	Sep	11 86	6.30	6.27	6.47	+.11
6.56	5.75	Sep	18 86	6.29	6.25	6.46	+.10
6.52	5.77	Sep	25 86	6.33	6.28	6.48	+.11
7.52	5.83	Oct	02 86	6.30	6.28	6.51	+.08
6.29	5.82	Oct	09 86	6.29	6.27	6.50	+.09
6.28	5.81	Oct	16 86	6.30	6.28	6.50	+.09
6.28	6.06	Oct	23 86	6.34	6.30	6.56	+.13
7.51	5.78	Oct	30 86	6.31	6.28	6.56	+.12
6.31	6.05	Nov	06 86	6.36	6.32	6.59	+.13
6.28	6.06	Nov	13 86	6.34	6.30	6.59	+.14
6.36	5.91	Nov	20 86	6.36	6.32	6.61	+.14
7.41	5.83	Nov	28 86	6.38	6.36	6.64	+.12
7.40	5.85	Dec	26 86	6.33	6.29	6.59	+.10
7.37	5.83	Jan	22 87	6.42	6.38	6.66	+.11
7.36	5.83	Feb	19 87	6.42	6.40	6.74	+.14
6.59	5.82	Mar	19 87	6.44	6.40	6.74	+.14
6.41	5.79	Apr	16 87	6.45	6.41	6.79	+.14
6.38	6.25	May	14 87	6.44	6.42	6.83	+.13

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL—No initial sales load. f—Previous day's quote. r—Redemption charge may apply. x—Ex dividend.



6/2/86

ACROSS

1 Place to dock
5 Scorch
9 Ump's call
13 Annul
14 Odalisque's residence
16 Milky gem
17 Short distance
18 Pain: Comb. form
19 Camera part
20 Game lovers play
23 Saturn's wife
24 Housman's "A Shropshire ——"
25 Sandwich sausage
29 Cartel in the news
31 Actress Remick
34 Mine entrance.
35 River to the Seine
37 Milton's "Lycidas," e.g.
39 Cahn-Van Heusen hit: 1955
42 Staffordshire river
43 Huron, for one
44 Eternally
45 Urge
46 Sign
48 Church V.I.P.'s
50 Black bird
51 Fi preceder
52 S.W.A.K.
61 Separate
62 Former Japanese elder statesmen
63 Sin
64 Serf of yore
65 Arcaro or Cantor
66 Wan
67 Venison source
68 Placebos
69 Like a squid

DOWN

1 Word on a door
2 Preposition
3 Paradise
4 Halter
5 Gene Autry's horse
6 Angels' toppers
7 Jason's ship
8 Check
9 Kind of geometry
10 Copied
11 Diller's spouse
12 Otherwise
15 Streeter's "Dere ——"
21 ——Kippur
22 Snake or car
25 Like pretzels
26 Venerate
27 Pep up
28 Sun disk of Egypt
29 Ottoman Empire founder
30 Acme
31 French or shore follower
32 Nest-robbing profiteer
33 Witnesses
36 Unemployed
38 German song
40 Make amends
41 Resounds
47 Gnat
49 Debussy's "Air de ——"
50 Do a tailor's *job*
51 Prepare to shower
52 Rushed
53 Facilitate
54 "Judith" composer
55 Unites
56 ——-European
57 Military headpiece
58 He was "Terrible"
59 Fabric for a bridal gown
60 Weaver's reed

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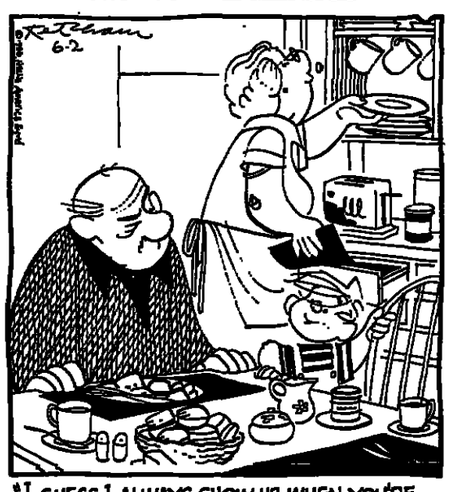
DENNIS THE MENACE



"I GUESS I ALWAYS SHOW UP WHEN YOU'RE EATING BECAUSE YOU'RE ALWAYS EATING."

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ANSPY

ROPAN

TIBESC

HANEEV

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "—— ——-———"

(Answers tomorrow)

Friday's Jumbles: MOLDY GROOM ATTACH LEEWAY
Answer: What air pollution is—NO EARTHLY GOOD

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	24	75	15	59	fr
Amsterdam	14	57	10	50	c
Athens	25	77	17	63	c
Barcelona	21	70	14	57	fr
Belgrade	19	66	12	54	r
Berlin	14	57	8	46	r
Brussels	13	55	8	46	r
Bucharest	20	68	16	61	sh
Budapest	12	54	6	43	r
Copenhagen	16	61	9	48	c
Costa Del Sol	23	72	16	61	c
Dublin	17	63	12	54	r
Edinburgh	15	59	10	50	r
Florence	28	68	7	45	cl
Frankfurt	17	63	4	39	c
Geneva	17	63	3	37	c
Helsinki	18	64	2	36	cl
Istanbul	28	82	17	63	cl
Las Palmas	24	75	18	64	fr
Lisbon	28	82	16	61	fr
London	15	59	10	50	r
Madrid	24	75	8	46	fr
Milan	21	70	8	46	fr
Moscow	27	81	14	57	fr
Munich	12	54	2	36	sh
Nice	19	66	12	54	fr
Oslo	16	61	7	45	fr
Paris	16	61	12	54	c
Prague	15	59	3	37	c
Reykjavik	8	46	6	43	r
Rome	29	84	7	45	cl
Stockholm	19	66	7	45	cl
Strasbourg	17	63	5	41	cl
Venice	19	66	12	54	cl
Vienna	15	59	7	45	cl
Warsaw	15	59	5	41	cl
Zurich	16	61	4	39	fr
MIDDLE EAST					
Ankara	26	79	7	45	fr
Beirut	—	—	—	—	na
Damascus	—	—	—	—	na
Jerusalem	27	81	15	59	fr
Tel Aviv	27	81	16	61	fr
OCEANIA					
Auckland	17	63	12	54	sh
Sydney	20	68	7	45	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	27	81	c
Beijing	30	86	16	61	c
Hong Kong	30	86	26	79	fr
Manila	34	93	25	77	fr
New Delhi	36	97	20	68	fr
Seoul	25	77	16	64	r
Shanghai	29	84	21	70	c
Singapore	32	90	26	79	sh
Taipei	31	88	24	75	c
Tokyo	27	81	19	66	c
AFRICA					
Algiers	24	75	14	54	fr
Cairo	30	86	16	61	fr
Cape Town	20	68	7	45	fr
Casablanca	23	73	17	63	fr
Harare	24	75	10	50	fr
Lagos	31	88	26	79	fr
Nairobi	23	73	13	55	fr
Tunis	23	73	14	57	fr
LATIN AMERICA					
Buenos Aires	18	64	3	37	fr
Caracas	32	90	24	75	fr
Lima	21	70	13	55	fr
Mexico City	28	82	13	64	sh
Rio de Janeiro	23	73	17	63	c
NORTH AMERICA					
Anchorage	16	61	7	45	c
Atlanta	30	86	19	66	c
Boston	23	73	14	61	sh
Chicago	28	82	18	64	sh
Denver	25	77	9	48	fr
Detroit	28	82	16	61	fr
Honolulu	30	86	22	72	fr
Houston	30	86	21	70	sh
Los Angeles	24	79	15	59	fr
Miami	30	86	24	75	fr
Minneapolis	28	77	18	64	sh
Montreal	28	77	11	52	fr
Nassau	33	86	24	75	fr
New York	25	86	21	70	fr
San Francisco	17	63	12	54	fr
Seattle	24	79	14	57	fr
Toronto	29	84	16	61	fc
Washington	32	90	18	64	fr

cl-cloudy; fa-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-showe; st-stormy.

MONDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Cloudy. Temp. 15 — 5 (59 — 41). LONDON: Cloudy. Temp. 16 — 10 (61 — 50). MADRID: Cloudy. Temps. 26 — 10 (79 — 50). NEW YORK: Partly cloudy. Temps. 24 — 20 (75 — 68). PARIS: Fair. Temps. 18 — 10 (64 — 50). ROME: Fair. Temps. 21 — 10 (70 — 50). TEL AVIV: Hot. ZURICH: Cloudy. Temps. 16 — 6 (61 — 43). BANGKOK: Fair. Temps. 35 — 26 (95 — 79). HONG KONG: Fair. Temps. 31 — 27 (88 — 81). MANILA: Fair. Temps. 32 — 25 (90 — 77). SEOUL: Showers. Temps. 23 — 18 (77 — 64). SINGAPORE: Thunderstorms. Temps. 31 — 26 (88 — 79). TOKYO: Mist. Temps. 27 — 19 (81 — 66).

SPORTS

SPORTS BRIEFS

Bulgarian Woman Sets High Jump Record

VIENNA (AP) — Stefka Kostadinova of Bulgaria broke the world record in the women's high jump by clearing 6 feet, 10¼ inches (2.08 meters) at a track and field meet Saturday in Sofia, the Austria Press Agency reported.

Six days earlier, the 21-year-old had equaled the world mark of 6-9½, set in 1984 by Bulgarian Ludmila Andonova.

Bell, Stuck and Holbert Win Le Mans Race

LE MANS, France (Combined Dispatches) — A factory Porsche 962C driven by Briton Derek Bell, West German Hans Stuck and American Al Holbert won the 54th Le Mans 24-hour racing classic Sunday. The winning car covered 368 laps and averaged 128 mph (207 kmh). A private Porsche 962 driven by Argentine Oscar Larrauri, Spaniard Jesus Pareja and Frenchman Joel Gouhier finished second.

The race was marred by the death of Austrian driver Jo Gartner, whose Porsche crashed early Sunday morning, rolled and burst into flames. Gartner, 32, was the first driver killed in the event since 1981.

On Saturday night, Michael Wyder, 32, died and co-driver Marc Surer was critically injured in a crash at an auto rally at Kirchheim, West Germany. Surer, 35, of Switzerland, remained hospitalized Sunday with second-degree burns and broken bones. *(AP, UPI)*

Argentina Defeats France in Rugby, 15-13

BUENOS AIRES (AP) — Argentina's national rugby team rallied in the second half on a try by Ernesto Ure and Hugo Porta's two converted penalties to edge France, 15-13, in a rugby test match here Saturday. It was the Argentines' second victory over a French team in 18 encounters.

Guy Laporte kicked three penalties and Eric Bonneval registered a try for France. Porta converted a first-half penalty.

Mize Leads Reid by 1 in Kemper Open Golf

BETHESDA, Maryland (AP) — Larry Mize shot a 2-under-par 70 here Saturday for a one-stroke lead over Mike Reid after three rounds of the Kemper Open golf tournament.

Two shots behind Reid, who had a 71, were Greg Norman (a 70), Mike McCullough (68), Curtis Strange (71) and Dan Forsman (72). A 70 on Friday had given Charlie Bolling a midpoint lead of one stroke over four players, including Mize and Reid, but on Saturday Bolling ballooned to 77/214.

Quotable

● USC basketball Coach George Raveling, on Bob Knight, his counterpart at Indiana: "I've told Bobby that if I ever need a heart transplant I want his heart because it's never been used." *(LAT)*

● Manager Dick Williams of Seattle, on the state of things in the American League: "Every player playing in the American League when I left 11 years ago is either a coach, a manager or a member of the California Angels." *(LAT)*

French, Swedish Hopes Dimmed at Open

Compiled by Our Staff From Dispatches

PARIS — Argentine veteran Guillermo Vilas outlasted young Guy Forget, 6-2, 3-6, 4-6, 6-1, 8-6, here Sunday to almost extinguish French hopes in the French Open tennis championships.

Earlier in the day, fourth-seeded Yannick Noah, who in 1983 became the first Frenchman in 37 years to win the world's most prestigious clay-court title, withdrew from the tournament with an injured ankle. That left No. 8 Henri Leconte as the only Frenchman still in the hunt for the men's singles title.

Laurent Rebours/AP

Andrei Chesnokov

Swedish prospects were scarcely brighter. On Saturday, the No. 2 seed and defending champion, Mats Wilander, was ousted by Andrei Chesnokov of the Soviet Union, 6-2, 6-3, 6-2. That left Sweden's hopes, so high when the tournament began, resting with a single longshot.

Wilander, one of four Swedes seeded among the top seven was preceded out of the year's first grand-slam tournament by No. 5 Stefan Edberg, No. 6 Joakim Nystrom and No. 7 Anders Jarryd. With Wilander and Ulf Stenlund (eliminated by Ecuadoran Andres Gomez on Sunday) gone, only Mikael Pernfors is left.

Chesnokov offered an excuse for Wilander. "He had a tough [second-round] match against Aaron Krickstein, and I think he was tired," Chesnokov said. "I saw three sets of that match. I figured out how to play against Wilander. Krickstein had the advantage over him so often, but didn't finish it off, and I knew that would be the key. I had to put him the defensive."

And that the 20-year-old did. "I just couldn't do anything," Wilander said. "I felt good. He just seemed to be standing everywhere that I put the ball. The court seemed small — he was always there waiting for the ball."

Three weeks ago, after a tournament in New York, Noah aggravated an injury to the tendon of his left ankle when he dropped a suitcase on it. The next day in Rome he underwent laser treatment, causing a second-degree burn. "The first skin is gone and the second skin is falling off," Noah said Sunday. "The tendon is exposed and I can't risk having a bad infection. "If it wasn't the French Open, I wouldn't have played at all."

The victory by Vilas, who won the French Open nine years ago, moved the 33-year-old into the quarterfinals along with Gomez and American Johan Kriek, to whom Noah defaulted.

Elsewhere on Sunday, Ivan Lendl and Martina Navratilova confirmed their top seedings with straight-sets fourth-round victories. Lendl defeated West German Damir Keretic, 6-1, 6-2, 6-4. Navratilova breezed past Italian Laura Garrone, 6-1, 6-2, to enter the quarterfinals.

In other fourth-round women's play, No. 6 Helena Sukova of Czechoslovakia beat Bulgarian Katerina Maleeva, 3-6, 6-4, 6-1, and American Kathy Rinaldi, the No. 7 seed, moved into the quarterfinals when No. 12 Catarina Lindqvist became ill from food poisoning and had to retire after the first set.

On Saturday, defending champion Chris Evert Lloyd led four seeded women into the quarters, but only after struggling to overcome ninth-seeded Gabriela Sabatini of Argentina, 1-6, 6-3, 6-3.

Also advancing were No. 3 Steffi Graf of West Germany, No. 5 Hana Mandlikova of Czechoslovakia and No. 13 Carling Bassett of Canada. Graf breezed American Pam Casale, 6-1, 6-3; Mandlikova defeated Peru's Laura Gildemeister, 6-1, 6-3; and Bassett eliminated Mercedes Paz of Argentina, 6-4, 2-6, 6-0.

FRENCH OPEN TENNIS

Evert, seeking a record seventh French Open title, had all she could handle with Sabatini, whom she defeated in the semifinals here last year.

"She played an unbelievable first set," Evert said of her 16-year-old opponent. "She had me on the defensive. She mixed up the pace and played smart. She played aggressively. The second set, I just hoped to win a few games to get back in the match. Experience paid off for me. I've been in that situation before, being a set down to a player I'm not supposed to lose to."

Sabatini gave the veteran fits with her power game from the baseline and her strategically perfect trips to the net. "I think I played a very good match, but I got a little tired," Sabatini said. "I need to get in better physical shape."

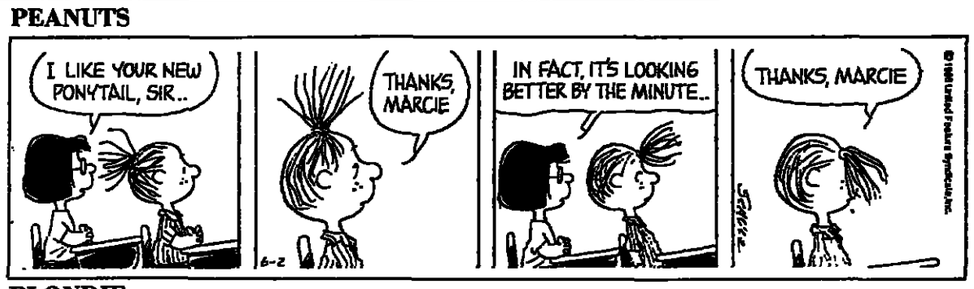
After dropping Sunday's first set, the 21-year-old Forget took the next two before a cheering center court crowd at Roland Garros Stadium. But Vilas, a crafty left-hander who is making a comeback bid after almost two years of part-time play, leveled the match at two sets apiece.

With Vilas serving in the 10th game of the deciding set, Forget reached match point at 30-40. But Vilas held — and broke in the 13th game after Forget double-faulted to 15-40.

Forget jumped out to a love-40 lead in the next game, before Vilas again fought back, pulling to deuce. On the second match point, Vilas closed out the victory when Forget sailed a forehand long.

Vilas then went into a victory wiggle. "It's a good feeling if you win," he said later. "If I had lost, I would have been sad for a very long time." *(AP, UPI)*

PEANUTS



BLONDIE

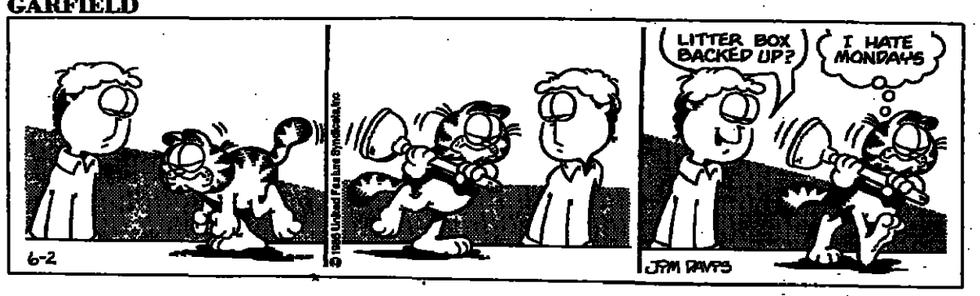
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



BOOKS

MEMOIR OF A THINKING RADISH

By Sir Peter Medawar. 224 pages. $19.95. Oxford University Press, 200 Madison Avenue, New York, N. Y. 10016.

Reviewed by Fitzhugh Mullan

DO not struggle with the origin of the title of Sir Peter Medawar's autobiography, for its roots are as arcane as they seem. The title, however, is the final arcanity of this marvelous volume of humanity, history and wit, which documents the life and ruminations of the dean of British science and letters. Medawar has written elsewhere that "the lives of scientists, taken as Lives, almost always make dull reading." He has set out here, claiming no "distinction more extravagant than membership in the human race," to disprove his axiom. He succeeds.

Born in 1915 of a Lebanese father and an English mother, Medawar spent much of his youth in Rio de Janeiro, where his father represented a British company. He was educated at Marlborough and Oxford, both of which left strong but contrary marks on his intellect. He thrived on the richness of the mind and the rigor of the tutorial system at the latter, while the Philistine prejudices and manners at the former led him to conclude that British public schools "were founded upon the twin pillars of sex and sadism as, by all accounts, were the training schools for the Nazi SS."

His school experiences, coupled with his instinctive iconoclasm, made of him a lifelong critic of vanity and puffery. He cites "the generally destructive effect upon English social life and our position in the world caused by the infirmity of manners I call 'snobismus' — a syndrome that more aptly than any other deserves to be called the 'English disease.'"

At Oxford, Medawar studied zoology in the period before World War II that was still dominated by the anatomists and paleontologists. Experimental biology was in its infancy and immunology was a thing of the future. During the war, Medawar witnessed the crash of a plane near Oxford and became involved in efforts to save the severely burned pilot. Skin grafting was a rudimentary science at the time and extremely limited — as were all transplants — by the body's unerring tendency to reject any tissue not its own. For the next two decades, at Oxford and subsequently at Birmingham and at University College, London, Medawar pursued studies that would shed light on the immune response. In 1953, he published findings demonstrating that the immune response of one laboratory animal to tissues of another could be suppressed by exposing the first to the cells of the second while the first was an embryo.

Although this finding in itself did not usher in the age of transplant surgery, it did a great deal to better the understanding of the immune system and it gave promise that natural immunity could be manipulated so that transplants could be accomplished. For this work, Medawar was awarded the 1960 Nobel Prize in Medicine and Physiology.

Since 1962 he has been associated with Britain's National Institute for Medical Research, first as director and more recently as a clinical investigator, again pursuing his love of the laboratory.

In recent years he has devoted increasing amounts of time to writing about science in terms that are both erudite and accessible. "Aristotle to Zoos: A Philosophical Dictionary of Biology," published in 1983 in partnership with his wife, Jean, is perhaps his most entertaining volume. It consists of several hundred short essays on topics including anticholinesterases, creationism and sweating. "The Limits of Science" (1984) will surely stand as one of the important treatises on the philosophy of science written in this century.

Medawar's career and memoir span the enormous terrain that science has captured during the middle years of this century. He has labored as a biologist while the focus of the profession has moved from the level of the organ — the paleontologist describing bones — to the level of the cell and now to the inner workings of the molecule, greater changes than have taken place in the entire previous history of biology. As a scientist, he has contributed generously to these advances and as a writer he has chronicled them, a feat made the more difficult and the more important by the advancing complexity of the concepts.

"Memoir of a Thinking Radish" will serve as a historical document gracefully reconstructing the mid-century events that were milestones in the explosive developments that put immunology on the map and made it central to many of the advances in modern medicine. More than that, however, it is a modest, candid and humorous book that leaves the reader sorely disappointed not to have known the author. Medawar touches such wide-ranging subjects as on the thrills of conducting great music in front of one's mirror, allegations about the anatomy of a colleague, religious pomposity and his desire to see how his grandchildren turn out. He concludes with the surmise that when he dies he will "be thinking that in spite of its vicissitudes my life has by no means been without its risible aspects."

Although Medawar achieved global prominence as a scientist, it is a commentary on the nature of science as well as a minor irony that his literary achievements are likely to be his most enduring ones.

Fitzhugh Mullan's most recent book is "Vital Signs: A Young Doctor's Struggle With Cancer." He wrote this review for The Washington Post.

Solution to Friday's Puzzle

L	A	S	S		V	A	T	S		M	O	T	O	R
I	N	T	O		E	D	I	E		O	L	I	V	E
N	O	O	N		N	A	T	O		N	E	P	A	L
E	D	W	A	R	D	Y	O	U	N	G		S	L	Y
N	E	S	T	L	E			L	O	O	K			
		A	S	T	R	O		G	L	A	R	E	D	
E	U	R			T	A	C	T		I	N	A	N	E
P	R	O	C	R	A	S	T	I	N	A	T	I	O	N
I	S	T	H	E		H	E	R	A			L	S	T
C	A	S	A	B	A		T	E	R	R	A			
		D	U	S	T			R	A	S	C	A	L	
J	O	Y		T	H	I	E	F	O	F	T	I	M	E
A	D	U	L	T		B	R	O	W		O	V	I	D
C	I	L	I	A		E	I	R	E		R	I	N	G
K	N	E	L	L		R	E	E	D		S	L	O	E

5/31/86

BRIDGE

By Alan Truscott

FACED with the diagramed deal the South player would not under normal circumstances open with six-no-trump. But the bidding diagram does not tell the full story. South had actually opened one diamond in the belief that he was the dealer. The error was pointed out, and he had to reconsider his position when the bidding reverted to West and there were three passes.

North was now barred for the rest of the auction, so South knew that whatever bid he selected would end the proceedings. The obvious bid was three no-trump, but he chose to gamble with six no-trump and was successful.

The opening lead was the spade ace, and South nervously awaited the appearance of the dummy. He was delighted to find that his stab was exactly on target.

Six clubs, in the nine-card fit, would have had to stand or fall on a 2-2 trump split. Six no-trump was much better, because there was a chance to score 12 tricks without using the clubs.

After taking the spade ace, West continued with the jack. South won and tested clubs by taking the ace and king. When this failed to break, he had to locate the heart queen.

There were two straws in the wind. West already had shown up with eight high-card points and had shown no interest in bidding. And that player had begun with most of the missing clubs, suggesting that East held the greater length in that suit.

So South led the heart jack from dummy and finessed, shutting his eyes. When he opened them again, resigned to a possible six-trick defeat, he found that he had made his slam.

NORTH
♠ 6 5
♡ K J 10
◇ J 6 4
♣ K 9 8 7 3 2

WEST (D)
♠ A J 10 9 2
♡ 7 3 2
◇ 8 5 7
♣ Q J 6

EAST
♠ 8 7 4
♡ Q 9 8 5 4
◇ 10 9 3
♣ 10

SOUTH
♠ K Q
♡ A 6
◇ A K Q 9 5 2
♣ A 5 4

Both sides were vulnerable. The bidding:

West	North	East	South
Pass	Pass	Pass	6 N.T.
Pass	Pass	Pass	

West led the spade ace.

SPORTS

Brazil Overcomes Spain, 1-0; Bulgaria, Italy Tie Cup Opener

Compiled by Our Staff From Dispatches

MEXICO CITY — Brazil defeated Spain, 1-0, and Bulgaria scored a late goal to tie defending champion Italy during the weekend as the World Cup kicked off its monthlong soccer fiesta.

On Sunday, Brazil and Spain fought through a scoreless first half that brought boos from a goal-hungry crowd in Guadalajara.

The only real chance in the first 30 minutes came to Brazil when Julio Cesar unleashed a 30-yard free kick that sped inches past goalkeeper Andoni Zubizarreta's right-hand post.

The Spanish funneled back in force to prevent Brazil's getting within range of the penalty area.

As the second half began, both teams had goals disallowed.

First, Brazil failed to clear a Spanish corner kick and when the ball fell to the unmarked Maceda just outside the area, he rifled a 25-yard (22.8-meter) shot that caught the underside of the crossbar. The ball appeared to come down inside the line, but the referee ruled otherwise, prompting Spanish protests.

Before Spain could settle down the ball was switched to the other end, and a corner from Junior was met forcefully by Careca. But the goal was disallowed because a Brazilian had touched the ball with his hand.

Eight minutes later, Brazil scored the only goal of the first match in first-round Group D. A stinging shot by Casagrande caromed off the bar and Socrates, following up, headed it home.

In the opening match of the World Cup, on Saturday, Italy continued in the dubious traditon of the three previous World Cup winners — Brazil, West Germany and Argentina all failed to win openers as defending titlists.

The Italians, three times winners of the most coveted trophy in professional sports, seemed secure with a first-half goal by Alessandro Altobelli, but Nasko Sirakov struck with a header in the 85th minute to tie the game.

Italian Coach Enzo Bearzot had said that the first game "gives birth to a thousand doubts." He was left with reason for concern after facing the Bulgarians as his team bids to become the first squad since Brazil won consecutive cups in 1958 and 1962.

Under a noonday sky darkened by clouds and dense Mexico City smog, Italy controlled the early going of the Group A match but with no real authority until the 43d minute, when Altobelli volleyed home a shot.

Antonio di Gennaro took the free kick on the right side of the penalty area and curled the ball over the Bulgarian defense. An unmarked Albotelli, who had scored the final goal in his team's triumphant 1982 championship, drove the ball with his right foot past diving goalkeeper Mihailov Borislav.

Italy, whose vaunted defense has made it one of soccer's world powers, was in command in the second half. The team seized midfield control and began throwing more men forward.

With nine minutes to go, Gianluca Vialli fouled Bulgarian striker Stoitcho Mladenov, who was carried off on a stretcher.

Having used both of its substitutions, the Bulgarian side was reduced to 10 men. But the Bulgarians bounced back to take advantage of a crtical defensive breakdown by Italy.

Midfielder Radoslav Zdravkov crossed the ball from the right side into the heart of the penalty area. Sirakov jumped between Fernando de Napoli and Gaetano Scirea to meet the ball perfectly and send a powerful, downward header bouncing inside the left post beyond the reach of goalkeeper Giovanni Galli.

"We had lots of chances to score in the second half, but on balance I felt the second half was much better," Bearzot said. "To allow a goal in the second half causes some bitterness, but I felt good about the level of performance."

Bearzot's expression reflected the agony felt by the Italians, who suffered similar pangs when losing here at Azteca Stadium in the 1970 final against Brazil.

After the first game, thousands of Mexicans and tourists poured into the main streets and plazas in spontaneous festivities.

Celebrators rode atop cars pounding on the roofs and waving Mexican and Brazilian flags — the two teams most favored by Mexicans to win the championship.

Traffic was so heavy immediately after the game that the Bulgarian team was stuck nearly half an hour while citizens spontaneously began trying to direct cars in order to end the jams. *(UPI, AP)*

The Associated Press

Nasko Sirakov's late header eluded Italian goalie Giovanni Galli to give Bulgaria a 1-1 tie.

World Cup Opens Amid Celebrations, Tight Security

By George Vecsey
New York Times Service

MEXICO CITY — Mexico literally rose from the rubble Saturday to present a stirring opening of the World Cup of soccer, the most popular sporting event in the world. From the destruction and terror of a massive earthquake last Sept. 19, this endangered but resilient country became the first nation to ever hold the World Cup twice.

The opening game, a 1-1 tie between defending champion Italy and Bulgaria, was played before a near-capacity crowd of almost 110,000 fans in the rectangular chafing dish of Azteca Stadium.

Nothing that humans do in the name of sport attracts the world like this tournament, called the "Mundial" in the Spanish-speaking world. An estimated 3 billion fans in 156 countries will watch some or all of the 52 games leading up to the final on June 29.

Mexico became the host nation after Colombia, the original host, was forced to give up the venture in 1983 because of economic difficulties.

Mexico, with its peso running at about 550 to the dollar, and poverty forcing its citizens to flee over the border, made a commitment to a tournament that could provide perhaps some bread but at least a proud and well organized circus that would once again draw the world's attention to Mexico.

The slogan "Estamos Preparados" — We're Prepared — is heard around the capital, even on the classical music radio station offering Bartok and Bach. The government has called in the troops, fearing terrorist acts from outside forces, or perhaps a demonstration by the poor and homeless who have been living in makeshift tar-paper shacks since the massive earthquake tore at the capital early on Sept. 19.

Security was evident on a gray and cool Saturday morning as police lined the Periferico, the circular highway leading to Azteca Stadium. To get to the press box, journalists were searched six times — serious body searches and scrutiny of all electronic equipment. But the security was for a good cause, and the ordeal was softened by the frequent smiles and "Buenas Dias" of the multilingual hosts and hostesses in handsome pastel uniforms.

Almost three hours before kickoff, fans in the highest tiers behind the goals began their cheer: "May-hee-co!" Then the early Mexican fans began performing an American football tradition, the wave, booing sections that did not get into the spirit quickly enough.

The mood in Azteca was proudly and predominantly Mexican, as the ballet company of the University of Guadalajara performed regional dances. The crowd gave a surprisingly impolite reception of whistles when President Miguel de la Madrid was introduced before the game. The stadinm reflected Mexico's flair for color and symbolism, and Italy's colorful tradition was represented by a Calcio Fiorentino, an Italian medieval pageant.

Youngsters wearing the team colors of all the participating nations entered the arena, the two competing teams were introduced, the anthems were played and the teams took the field, exchanging their team banners in the brief traditional pre-game ceremony.

Then, after the Italian and Bulgarian teams posed for the opening photograph, the players took over the spotlight, with a great portion of the world peering into this huge stadium.

Rahal Outduels Cogan To Win Fastest Indy 500

The Associated Press

INDIANAPOLIS — Bobby Rahal won the fastest Indianapolis 500 in history on Saturday when he passed Kevin Cogan with two laps to go in one of the closest finishes ever in the world's most famous auto race.

Cogan finished 1.4 seconds behind, followed closely by two-time winner Rick Mears, who was in the lead as late as lap 186 of the 200 laps on the 2½-mile (4.02-kilometer) Indianapolis Motor Speedway oval. Mears was only .4 seconds behind Cogan.

The mustachioed Rahal, a veteran road racer and for four years one of the top drivers of Indy cars, averaged 170.722 mph, shattering the mark of 163.612 set by Mears in 1984.

With a crowd estimated at more than 250,000 screaming and a national television audience watching the drama live for the first time, Rahal came out the winner of a dramatic three-car battle over the last 50 miles.

The sixth and final caution flag of the day, coming on lap 193 when Arie Luyendyk of the Netherlands spun and tagged the wall at the pit entrance, appeared to assure Cogan his first Indy victory; he was leading, with Rahal and Mears just behind in single file.

But crews cleared the track and the green flag was out again with two laps remaining; and as Cogan got up to full power on the main straightaway it was Rahal's red March that streaked by on the inside just beyond the starting line.

Rahal, 33, led the rest of the way. The victory earned his team an estimated purse of $600,000 from the expected payoff of more than $3.5 million.

Roberto Guerrero of Colombia, who finished second and third in his first two appearances here, was fourth on Saturday.

The rest of the top 10 wwere Al Unser Jr., Michael Andretti, Emerson Fittipaldi of Brazil, Johnny Rutherford, defending champion Danny Sullivan and rookie Randy Lanier.

"When the yellow goes off with two laps to go, you've got to go for it," said Rahal, whose best previous finish here in four starts was seventh in 1984. "I wasn't about to hold back this time."

A post-race measurement showed that Rahal finished with less than two gallons in his 40-gallon tank, about enough fuel for another lap.

Said Cogan: "I think I had the race handled if it stayed green. I was ready for it. It's just a shame it went yellow like that. He got the jump on me on the restart, just beat me to the throttle. It's a huge disappointment."

Mears, who in winning the pole positon had set one- and four-lap qualifying records of 217.581 mph and 216.828, respectively, said, "The car never missed a beat. I just didn't have the thing very well balanced for traffic. We just didn't get a good shot on them [Rahal and Cogan]."

Despite the fastest field in auto-racing history running on the narrow Indy track, there were only five minor accidents and no injuries.

The crowd, basking under mostly sunny skies, was at least 50,000 fewer than attended on May 25, when the race was originally scheduled. Rain washed away the race both that day and the next. When more bad weather was forecast for the next three days, officials made the unprecedented decision to postpone the event until Saturday.

Don Larson/The Associated Press

Indy winner Rahal and five-month-old daughter Michaela.

Cardinals Halt 5-Game Skid as Slumbering Offense Finally Comes to Life

Compiled by Our Staff From Dispatches

CINCINNATI — Pitcher Bob Forsch saw Saturday's 11-run explosion by the St. Louis Cardinals as an omen that the defending National League champions are finally rounding into form.

Forsch threw a four-hitter and Mike Heath and Andy Van Slyke each homered and drove in four runs to help the weak-hitting Cardinals snap a five-game losing streak with an 11-2 rout of the Cincinnati Reds.

St. Louis has pounded out 24 hits and 15 runs in its last two games, an encouraging sign for a club that came into the game last in the league with a .225 team average.

"It's nice to see everybody really hitting the ball well," Forsch said. "It hasn't been just one guy. Maybe we're turning the corner; I think that's what everybody's been waiting for. We haven't been playing well all year."

Phillies 1, Padres 0: In Philadelphia, John Russell's seventh-inning home run broke a scoreless tie and Charles Hudson scattered five hits

SATURDAY BASEBALL

over seven innings to give the Phillies their fifth straight victory.

Giants 7, Mets 3: In New York, Jeff Leonard's two-run double ignited a four-run first inning, and San Francisco went on to end a four-game skid and halt the Mets' six-game winning streak.

Pirates 4, Dodgers 0: In Pittsburgh, Bill Almon's two-run homer highlighted the Pirates' three-run eighth.

Astros 4, Expos 3: In Houston, Glenn Davis's two-out home run in the eighth was the game-winner for the the Astros.

Braves 8, Cubs 4: In Chicago, Bob Horner's two-run shot in the sixth highlighted a four-homer attack that powered Atlanta to its 12th victory in 17 games.

A's 4, Yankees 3: In the American League, in Oakland, California, Dave Kingman's home run with one out in the ninth beat New York.

Blue Jays 4, White Sox 3: In Toronto, Lloyd Moseby doubled home Garth Iorg with two out in the 11th to hand Chicago its seventh straight loss.

Red Sox 7, Twins 2: In Minneapolis, Boston's Wade Boggs went 5-for-5 to raise his season average to .402.

Indians 3, Brewers 2: In Cleveland, Andre Thornton's two-run homer in the eighth snapped the Indians' six-game losing streak.

Royals 8, Rangers 1: In Kansas City, Missouri, Lonnie Smith had three hits and Frank White drove in two runs to spark the Royals. Texas, without Pete Incaviglia, Larry Parrish, Gary Ward and Don Slaught because of injuries, made three errors that led to two unearned runs.

Angels 2, Orioles 0: In Anaheim, California, Kirk McCaskill pitched a two-hitter and Gary Pettis drove in two runs, enabling California to end a three-game losing streak.

Mariners 7, Tigers 4: In Seattle, Danny Tartabull's two-run triple keyed the Mariners' decisive four-run seventh. *(UPI, AP)*

Stieb Pitches a 4-Hitter For First Victory of Year

United Press International

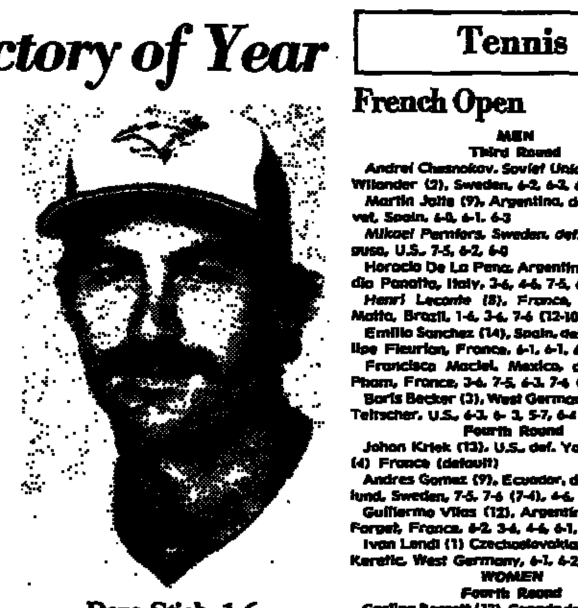
TORONTO — Dave Stieb pitched a four-hitter for his first victory since the opening game of the 1985 American League Championship Series, and Rance Mulliniks hit a three-run homer to lead the Toronto Blue Jays to a 6-0 triumph over the Chicago White Sox here Friday night.

Stieb, who led the league last season with a 2.48 earned-run average, entered the game with a

FRIDAY BASEBALL

6.83 ERA in 10 starts and raised his record to 1-6. He struck out five and walked three to record his first complete game of the season and first shutout since July 25, 1985.

Toronto jumped out to a 2-0 lead in the first. With two out, Joel Davis uncorked a wild pitch to allow Lloyd Moseby to score from third and and Cliff Johnson followed with an RBI single.



Dave Stieb, 1-6

Twins 13, Red Sox 5: In Minneapolis, Roy Smalley's two home runs, one from each side of the plate, helped Minnesota snap Boston's four-game winning streak.

Brewers 11, Indians 7: In Cleveland, Cecil Cooper went 3-for-6 and drove in five runs to power Milwaukee.

Royals 12, Rangers 2: In Kansas City, Missouri, Rudy Law scored four times and tied a team record with three doubles to power the Royals. Dennis Leonard, who walked in an unearned run in the first inning, lowered his league-leading ERA to 1.89 before leaving the game after the seventh inning.

A's 6, Yankees 3: In Oakland, California, Tony Phillips knocked in three runs with two singles and a double to help snap the A's five-game losing streak.

Orioles 3, Angels 0: In Anaheim, California, reliever Nate Snell pitched six shutout innings and Eddie Murray drove in two runs with sacrifice flies for Baltimore.

Mariners 8, Tigers 7: In Seattle, Bob Kearney's one-out double in the 12th scored Jim Presley and defeat Detroit.

Mets 8, Giants 7: In the National League, in New York, Rafael Santana's misplayed two-out pop up in the bottom of the 10th inning allowed Kevin Mitchell to score from second base with the winning run. After second baseman Rob Thompson had given the Giants a 7-6 lead with a homer in the top of the 10th, the Mets loaded the bases. Ray Knight drove in the tying run with a sacrifice fly. Santana then hit a routine pop up on the second base side of the infield and the ball dropped in as Thompson and and shortstop José Uribe collided.

Expos 1, Astros 0: In Houston, Bryn Smith and Jeff Reardon combined on a three-hitter and Mike Fitzgerald homered to snap the Astros' four-game winning streak.

Phillies 2, Padres 0: In Philadelphia, Kevin Gross tossed an eight-hitter for his first shutout of the season to lead the Phillies.

Reds 6, Cardinals 4: In Cincinnati, Ron Oester hit two home runs and Joe Price and John Franco combined for six innings of two-hit relief to lead the Reds.

Cubs 6, Braves 1: In Chicago, Ryne Sandberg hit a three-run homer in the first inning and added a solo shot in the third to lead the Cubs.

Dodgers 6, Priates 4: In Pittsburgh, Reggie Williams scored from third base on Steve Sax's infield single and Ken Landreaux added a bases-loaded walk in the 11th inning to snap Los Angeles' three-game losing streak. With the bases loaded and one out, Sax hit a ground ball to Tony Pena, who moved to first base from catcher in the 11th in a defensive shuffle. Sax beat both Pena and pitcher José DeLeon to first base as Williams scored the winning run.

SCOREBOARD

Tennis

French Open

MEN
Third Round

Andrei Chesnokov, Soviet Union, def. Mats Wilander (2), Sweden, 6-2, 6-3, 6-2

Martin Jaite (9), Argentina, def. José Clavet, Spain, 6-0, 6-1, 6-3

Mikael Pernfors, Sweden, def. Robert Seguso, U.S., 7-5, 6-2, 6-0

Horacio De La Pena, Argentina, def. Claudio Panatta, Italy, 3-6, 4-6, 7-5, 6-3, 7-5

Henri Leconte (8), France, def. Cassio Motta, Brazil, 1-6, 3-6, 7-6 (12-10), 6-0, 6-0

Emilio Sanchez (14), Spain, def. Jean-Philipe Fleurian, France, 6-1, 6-1, 6-7 (3-7), 6-3

Francisco Maciel, Mexico, def. Thierry Pham, France, 3-6, 7-5, 6-3, 7-6 (9-7)

Boris Becker (3), West Germany, def. Eliot Teltscher, U.S., 6-3, 6-3, 5-7, 6-4

Fourth Round

Johan Kriek (13), U.S., def. Yannick Noah (4) France (default)

Andres Gomez (9), Ecuador, def. Ulf Stenlund, Sweden, 7-5, 7-6 (7-4), 4-6, 3-6, 6-4

Guillermo Vilas (12), Argentina, def. Guy Forget, France, 6-2, 3-6, 4-6, 6-1, 8-6

Ivan Lendl (1) Czechoslovakia, def. Damir Keretic, West Germany, 6-1, 6-2, 6-4

WOMEN
Fourth Round

Carling Bassett (13), Canada def. Mercedes Paz, Argentina, 6-4, 3-6, 6-0

Hana Mandlikova (5), Czechoslovakia def. Laura Gildemeister, Peru, 6-1, 6-3

Chris Evert Lloyd (2), U.S., def. Gabriela Sabatini (9), Argentina, 1-6, 6-3, 6-3

Steffi Graf (3), West Germany, def. Pam Casale, U.S., 6-1, 6-3

Kathy Rinaldi (7), U.S., def. Caterina Lindqvist (12), Sweden, 6-4 (ret.)

Helena Sukova (6), Czechoslovakia, def. Katerina Maleeva, Bulgaria, 3-6, 6-4, 6-1

Martina Navratilova (1), U.S., def. Laura Garrone, Italy, 6-1, 6-2

Mary Joe Fernandez, U.S., def. Claudia Kohde-Kilsch (4), West Germany, 7-6 (7-4), 7-5

World Cup Soccer

World Cup on TV

MONDAY, JUNE 2

Britain: Argentina vs. South Korea/Soviet Union vs. Hungary, 7:00 P.M. second halves (BBC1).

Denmark: Soviet Union vs. Hungary, 7:55 P.M.-10:00 P.M.; Argentina vs. South Korea, 11:45 P.M.-1:30 A.M. (Danmarks Radio).

France: France vs. Canada, 9:15 A.M.-10:45 A.M.; Soviet Union vs. Hungary, 8:00 P.M.-9:45 P.M.; Argentina vs. South Korea, 10:00 P.M.-11:30 P.M. (TF1). Poland vs. Morocco, 11:55 P.M.-1:50 A.M. (ANTENNE 2).

Hong Kong: Brazil vs. Spain, 1:45 A.M.-4:00 A.M.; France vs. Canada, 5:45 A.M.-7:45 A.M. (JADE). Brazil vs. Spain, 1:45 A.M.-4:00 A.M.; France vs. Canada, 5:45 A.M.-7:45 A.M. (PEARL).

Spain: Soviet Union vs. Hungary, 8:00 P.M. (Ch.2).

Sweden: Soviet Union vs. Hungary, 7:55 P.M.-9:45 P.M. (TV1).

Switzerland: Soviet Union vs. Hungary/Argentina vs. South Korea, 8:00 P.M. (TSI, TSR). Poland vs. Morocco, midnight (DRS, TSI).

West Germany: Soviet Union vs. Hungary/Argentina vs. South Korea, 7:50 P.M.-10:30 P.M.; Poland vs. Morocco, 11:45 P.M.-2:00 A.M. (ARD).

Auto Racing

The 1986 Indianapolis 500

Results in Saturday's Indianapolis 500 (driver, number, chassis-engine, laps completed, speed for top three finishers, reason for dropout and starting position; R-rookie):

1. Bobby Rahal, U.S., No. 3, March-Cosworth, 200 laps, 170.722 miles per hour/274.742 kilometers per hour (4).
2. Kevin Cogan, U.S., No. 7, March-Cosworth, 200 laps, 170.698 (6).
3. Rick Mears, U.S., No. 4, March-Cosworth, 200 laps, 170.691 (1).
4. Roberto Guerrero, Colombia, No. 5, March-Cosworth, 199 laps, running (8).
5. Al Unser Jr., U.S., No. 30 Lola-Cosworth, 199 laps, running (9).
6. Michael Andretti, U.S., No. 18, March-Cosworth, 199 laps, running (3).
7. Emerson Fittipaldi, Brazil, No. 20, March-Cosworth, 199 laps, running (11).
8. Johnny Rutherford, U.S., No. 21, March-Cosworth, 198 laps, running (12).
9. Danny Sullivan, U.S., No. 1, March-Cosworth, 197 laps, running (2).
10. R-Randy Lanier, U.S., No. 12, March-Cosworth, 195 laps, running (13).
11. Gary Bettenhausen, U.S., No. 24, March-Cosworth, 193 laps, running (29).
12. Geoff Brabham, Australia, No. 8, Lola-Cosworth, 193 laps, running (20).
13. Raul Boesel, Brazil, No. 22, Lola-Cosworth, 192 laps, running (22).
14. Dick Simon, U.S., No. 23, Lola-Cosworth, 189 laps, running (33).
15. Arie Luyendyk, Holland, No. 61, Lola-Cosworth, 187 laps, crash (19).
16. Pancho Carter, U.S., No. 15, Lola-Cosworth, 179 laps, front bearing (14).
17. Ed Pimm, U.S., No. 66, March-Cosworth, 168 laps, electrical (10).
18. Josele Garza, Mexico, No. 55, March-Cosworth, 167 laps, running (17).
19. R-Roberto Moreno, Brazil, No. 9, Lola-Cosworth, 158 laps, stopped on course (32).
20. R-Jacques Villeneuve, Canada, No. 81, March-Cosworth, 154 laps, engine (15).
21. Chip Ganassi, U.S., No. 59, March-Cosworth, 151 laps, engine (25).
22. Al Unser, U.S., No. 11, Penske-Chevrolet, 149 laps, vibration (5).
23. Danny Ongais, U.S., No. 25, March-Buick, 136 laps, ignition (16).
24. A.J. Foyt, U.S., No. 14, March-Cosworth, 135 laps, brakes and pit crash (21).
25. Rich Vogler, U.S., No. 6, March-Cosworth, 132 laps, crash (27).
26. George Snider, U.S., No. 84, March-Cosworth, 110 laps, ignition (31).
27. Johnny Parsons, U.S., No. 95, March-Cosworth, 100 laps, CV joint and crash (28).
28. Tony Bettenhausen, U.S., No. 16, March-Cosworth, 77 laps, valve (18).
29. Jim Crawford, Scotland, No. 31, March-Buick, 70 laps, head gasket (26).
30. Scott Brayton, U.S., No. 71, March-Buick, 69 laps, turbocharger, (23).
31. R-Phil Krueger, U.S., No. 42, 1985 March-Cosworth, 67 laps, engine, (24).
32. Mario Andretti, U.S., No. 2, Lola-Cosworth, 19 laps, engine (30).
33. Tom Sneva, U.S., No. 33, March-Cosworth, 0 laps, pace lap crash (7).

Transition

BASEBALL
American League

MILWAUKEE—Activated Paul Molitor, third baseman, from the disabled list. Optioned Jim Adduci, first baseman, to Vancouver of the Pacific Coast League.

National League

ST. LOUIS—Placed Tim Conroy, pitcher, on the 21-day disabled list. Recalled Greg Mathews, pitcher, from Louisville of the American Association.

FOOTBALL
Canadian Football League

HAMILTON—Signed Mitchell Price, defensive lineman, to a one-year contract.

National Football League

CHICAGO—Claimed Tyrone Anthony, running back, from waivers.

DALLAS—Named Bob Ackles vice president in charge of pro-personnel.

DETROIT—Waived Don Laster, offensive tackle. Signed Larry Curtis and Kevin Powell, defensive ends, Tim Kearse, wide receiver, and Cecil Cox, safety.

ST. LOUIS—Signed Derek Kennard, offensive guard.

HOCKEY
National Hockey League

PHILADELPHIA—Extended the contract of Mike Keenan, coach.

COLLEGE

CLEVELAND STATE—Announced the resignation of Charlie Coedill, women's basketball coach.

CONNECTICUT—Named Dave Leitao assistant men's basketball coach.

CORNELL—Named Al Walker and Steve Robinson assistant men's basketball coaches.

Baseball

Friday's and Saturday's Major League Line Scores

FRIDAY'S RESULTS
AMERICAN LEAGUE

Chicago 000 000 000—0 4 0
Toronto 200 400 00x—6 9 0
Davis, Schmidt (4), Clark (7) and Fisk; Stieb and Whitt. W—Stieb, 1-6. L—Davis, 2-2. HRs—Toronto, Leach (1), Mulliniks (4).

Milwaukee 102 034 001—11 16 1
Cleveland 000 100 600— 7 15 0
Nieves, McClure (7), Clear (7) and Moore; Niekro, Easterly (5), Kern (5), Yett (6), Bolles (9) and Bando. W—Nieves, 5-1. L—Niekro, 3-4. Sv—Clear (3). HR—Milwaukee, Molitor (3).

Texas 100 000 100— 2 6 3
Kansas City 301 313 10x—12 11 2
Witt, Mahler (4), R.Wright (6), Henry (7) and Mercado, Petralli (6); Leonard, Bankhead (8) and Sundberg. W—Leonard, 5-4. L—Witt, 2-4. HRs—K.C., Wilson (4), Balboni (7).

Boston 121 100 000— 5 15 2
Minnesota 305 010 40x—13 15 0
Woodward, Lollar (3), Crawford (4), Sambito (7) and Sullivan, Gedman (7); Viola, Atherton (4) and Reed. W—Atherton, 2-2. L—Woodward, 0-1. HRs—Minnesota, Smalley 2 (8), Brunansky (11).

New York 100 002 000—3 8 0
Oakland 211 101 00x—6 8 2
Niekro, Drabek (4) and Wynegar; Young, Mooneyham (7) and Willard. W—Young, 3-0. L—Niekro, 5-3. Sv—Mooneyham (1). HRs—Oakland, Canseco (15), Kingman (10).

Baltimore 000 001 011—3 11 1
California 000 000 000—0 4 1
Flanagan, Snell (3), T. Martinez (9), Aase (9) and Dempsey; Romanick, Bryden (9) and Narron, Boone. W—Snell, 2-0. L—Romanick, 3-2.

Detroit 030 010 300 000—7 8 0
Seattle 110 002 120 001—8 13 1
Morris, Scherrer (7), King (7), Cary (9) and Kearney; M.Moore, M.Young (7), Ladd (8), Huismann (11) and Parish. W—Huismann, 1-2. L—Cary, 0-1. HRs—Detroit, Sellaran (3), Coles (7), Whitaker (5). Seattle, A.Davis (9), Tartabull (7).

NATIONAL LEAGUE

Atlanta 000 000 100—1 6 1
Chicago 301 010 10x—6 8 0
Mahler, McMurtry (7) and Virgil; Sanderson, Fontenot (7) and Davis. W—Sanderson, 3-2. L—Mahler, 4-5. Sv—Fontenot (1). HRs—Atlanta, Samole (4). Chicago, Sandberg 2 (5).

San Diego 000 000 000—0 8 1
Philadelphia 000 020 00x—2 7 0
Show, Lefferts (7) and Kennedy; K.Gross and Daulton. W—K.Gross, 4-5. L—Show, 3-3.

St. Louis 003 000 001—4 9 0
Cincinnati 010 021 20x—6 11 0
Burris, Ownbey (6), Perry (7), Borgar (7) and Heath; Denny, Price (3), Franco (7) and Diaz. W—Price, 1-1. L—Burris, 2-1. Sv—Franco (8). HRs—Cincinnati, Diaz (3), Oester 2 (5).

Montreal 000 010 000—1 2 0
Houston 000 000 000—0 3 0
Smith, Reardon (8) and Fitzgerald; Scott, Kerfeld (9) and Bailey, Ashby (9). W—Smith, 4-4. L—Scott, 4-4. Sv—Reardon (12). HR—Montreal, Fitzgerald (5).

San Francisco 013 001 010 1—7 12 1
New York 302 010 000 2—8 7 0
LaCoss, Laskey (5), Robinson (6), Minton (8), M.Davis (10), Berenguer (10) and Brenly; Bertayl, Aguilera (3), McDowell (4), Orosco (9) and Carter. W—Orosco, 2-2. L—M.Davis, 1-3. HRs—San Francisco, C.Davis (5), Thompson (2). New York, Foster (7).

Los Angeles 130 000 000 02—6 9 1
Pittsburgh 000 400 000 00—4 7 1
Hershiser, Vande Berg (4), Howell (7), Niedenfuer (9), A. Pena (11), Reuss (11) and Scioscia; Bielecki, Winn (5), Guante (8), DeLeon (10), Clements (11) and Pena, Ortiz. W—Niedenfuer, 3-2. L—DeLeon, 1-2.

SATURDAY'S RESULTS
AMERICAN LEAGUE

Milwaukee 000 010 010—2 7 0
Cleveland 000 000 12x—3 8 2
Wegman, Plesac (7) and Cerone; Schrom, Bailes (8) and Allanson. W—Bailes, 5-4. L—Plesac, 3-3. HR—Cleveland, Thornton (7).

Chicago 000 002 001 00—3 8 0
Toronto 200 100 000 01—4 12 0
Allen, McKeon (6), Nelson (6) and Skinner, Fisk (10); Alexander, Eichhorn (10), Henke (10) and Whitt. W—Henke, 4-3. L—Nelson, 4-2. HRs—Chicago, Baines (8), Skinner (1). Toronto, Moseby (7).

New York 001 200 000—3 5 1
Oakland 001 110 001—4 5 0
Guidry and Hassey; Plunk, Ontiveros (8) and Bathe. W—Ontiveros, 1-2. L—Guidry, 4-4. HRs—New York, Winfield (7). Oakland, Davis (4), Bathe (4), Kingman (11).

Texas 000 010 000—1 7 3
Kansas City 112 004 00x—8 12 1
Mason, Mohorcic (6), R.Wright (7), Harris (8) and Mercado, Petralli (7). Gubicza, Farr (7), Black (9) and Sundberg. W—Gubicza, 3-4. L—Mason, 4-2. HR—Texas, Harrah (2).

Boston 060 100 000—7 14 2
Minnesota 000 000 011—2 4 1
Hurst, Stewart (6), Stanley (9) and Gedman; Smithson, Jackson (6), Davis (9) and Laudner. W—Hurst, 5-3. L—Smithson, 5-4.

Baltimore 000 000 000—0 2 0
California 000 020 00x—2 7 0
Davis, T.Martinez (8) and Dempsey; McCaskill and Boone. W—McCaskill, 4-3. L—Davis, 4-4.

Detroit 000 000 040—4 10 0
Seattle 011 001 40x—7 15 1
Terrell, Scherrer (7) and Lowry; Langston, Huismann (8), Young (9) and Yeager. W—Langston, 3-4. L—Terrell, 6-2. HR—Detroit, Coles (8).

NATIONAL LEAGUE

St. Louis 312 400 010—11 15 0
Cincinnati 000 000 101— 2 4 0
Forsch and Heath; Browning, Terry (4), Power (9) and Diaz, Butera (7). W—Forsch, 4-3. L—Browning, 2-5. HRs—St. Louis, Heath (2), Van Slyke (2). Cincinnati, Parker (11).

San Diego 000 000 000—0 5 1
Philadelphia 000 000 10x—1 5 0
Dravecky, Walter (7) and Kennedy; Hudson, Bedrosian (8) and Russell. W—Hudson, 3-3. L—Dravecky, 5-4. Sv—Bedrosian (6). HR—Philadelphia, Russell (3).

Atlanta 210 003 200—8 11 0
Chicago 001 170 100—4 16 1
Johnson, Dedmon (5), Garber (7) and Virgil; Eckersley, Frazier (7), Baller (8) and Davis. W—Dedmon, 2-1. L—Eckersley, 2-3. Sv—Garber (3). HRs—Atl., Virgil (7), Ramirez (3), Horner (8), Murphy (9). Chi., Mathews (4).

San Francisco 402 100 000—7 15 0
New York 201 000 000—3 8 1
Garrelts and Melvin; Ojeda, Sisk (4), Niemann (8) and Carter. W—Garrelts, 5-5. L—Ojeda, 6-2. HR—New York, Wilson (1).

Los Angeles 000 000 000—0 9 0
Pittsburgh 000 001 03x—4 8 0
Honeycutt, Vande Berg (7) and Trevino; Kipper, Walk (8), Clements (8) and Pena. W—Kipper, 1-4. L—Honeycutt, 2-1. Sv—Clements (2). HR—Pittsburgh, Almon (6).

Montreal 000 111 000—3 8 1
Houston 000 002 11x—4 10 1
Tibbs, Burke (7) and Bilardello, Fitzgerald (7); Ryan, Solano (2), Andersen (7), DiPino (8), Smith (9) and Ashby, Bailey (8). W—DiPino, 1-1. L—Burke, 2-1. Sv—Smith (12). HR—Houston, Davis (8).

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	32	15	.681	—
New York	30	18	.625	2½
Baltimore	28	18	.609	3½
Detroit	23	22	.511	8
Milwaukee	24	22	.522	7½
Cleveland	23	24	.489	9
Toronto	23	26	.469	10

West Division

	W	L	Pct.	GB
Texas	24	23	.511	—
Kansas City	23	24	.489	1
Oakland	23	26	.469	2
California	23	25	.479	1½
Minnesota	19	29	.396	5½
Chicago	18	28	.391	5½
Seattle	18	31	.367	7

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
New York	31	12	.721	—
Montreal	26	19	.578	6
Philadelphia	20	24	.455	11½
Chicago	19	26	.422	13
Pittsburgh	17	25	.405	13½
St. Louis	17	27	.386	14½

West Division

	W	L	Pct.	GB
Houston	27	19	.587	—
Atlanta	25	22	.532	2½
San Francisco	25	23	.521	3
San Diego	24	23	.511	3½
Los Angeles	22	26	.469	5½
Cincinnati	18	26	.409	8

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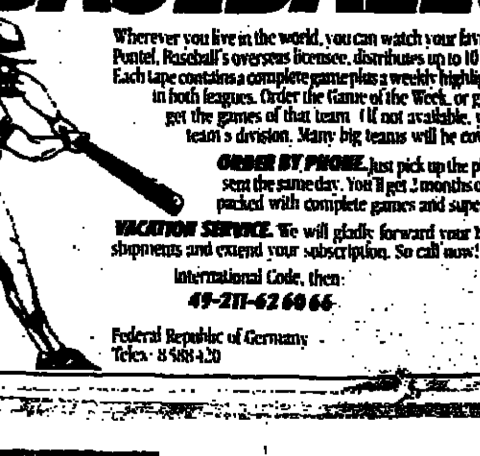

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Latter-Day Acceptance for Composer Steve Reich

By Tim Page
New York Times Service

NEW YORK — The world premiere of Steve Reich's "Music for 18 Musicians" in 1976 was heralded by stark white posters, decorated with a few measures of music, plastered on the grimy walls of SoHo. There were no advance news stories, no radio appearances and little of the fraternal support that aficionados traditionally lend to new music events. Yet Town Hall in New York was almost full, with an audience apparently made up of students, artists and musicians, and the 55-minute work — a succession of shimmering, ethereal aural colors propelled by a steady pulse — was followed by a stomping, cheering ovation.

Tonal, repetitive, insistently rhythmic — Reich's work seemed to many a new musical idiom, unmistakably of its time but far removed from the snarls and tangles of much 20th-century music.

On Tuesday night, Steve Reich and Musicians will once again perform "Music for 18 Musicians," this time at Avery Fisher Hall under the auspices of the New York Philharmonic Horizons '86 Festival. Although Reich's records have regularly made the classical best-seller charts for some years, only lately has he been accepted by the musical establishment. His work is analyzed in conservatories and his pieces are in the repertories of percussion and chamber groups throughout the world. He is offered more commissions than he can handle. Reich, still viewed as a young radical in some circles, will be 50 in October.

Nevil Shah
Steve Reich (center) with Glen Velez and Nurit Tilles, two members of his ensemble.

"Acceptance comes with time, and I've been around awhile now," he said in his lower-Manhattan loft, surrounded by scores, electronic keyboards, tapes and letters. Driven and loquacious, quick to laugh and to anger, the composer is an articulate proponent of his music. "My work no longer sounds like something from another planet. A whole generation of players have grown up with it, and the fog has burned off."

Raised in the New York area, Reich studied at the Juilliard School. He moved in the early 1960s to the San Francisco Bay Area, where he worked with Luciano Berio and Darius Milhaud at Mills College. One evening in San Francisco he discovered what would prove the beginning of his mature style when he set up two tape recorders with identical tape loops and let them run. Because of intrinsic micro-variations in motor speeds, one machine ran slightly faster: the loops moved in and out of phase, resulting in some intriguing permutations. He applied this technique in a number of tape pieces, the best known of which are "It's Gonna Rain" and "Come Out" — his first acknowledged works. Then he transferred the phasing technique from tape to live music. In "Piano Phase" one pianist repeats a melodic pattern while another plays the same sequence slightly faster. As pianists move in and out of phase, inner harmonic and rhythmic relationships become apparent, giving the work the hypnotic, static quality that would become Reich's trademark.

At about this time, Reich expressed some of his ideas in an article called "Music as a Gradual Process," in which he said: "Performing and listening to a gradual music process resembles: pulling back a swing, releasing it and observing it gradually come to rest; turning over an hourglass and watching the sand slowly run through to the bottom; placing your feet in the sand by the ocean's edge and watching, feeling and listening to the waves gradually bury them."

CBS Masterworks recorded some of Reich's early music in the late 1960s, and the albums received generally positive reviews. But with the growing acclaim also came dissent, and there were those who heard nothing but irritating repetition — "stuck-record music." "Four Organs" (1970) represents Reich's aesthetic at its most austere: Consisting of a single chord drawn out for 20 minutes, it inspired a near-riot when it was performed at Carnegie Hall in 1973. "Drumming" (1971) was symphonic in length (85 minutes) but scored for eight small tuned drums, three marimbas, three glockenspiels, voices, whistling and piccolo.

After "Drumming," Reich's work grew progressively more lush. "Variations for Winds, Strings and Keyboards" and "Tehillim" exist in one version for Reich's ensemble, Steve Reich and Musicians, which he formed in 1966, and in another for full orchestra. "The Desert Music" (1983) is his most expansive work, scored for large orchestra, soloists and chorus. Some of these works are written without repeat signs, and it is difficult to see how they can be called minimalist, as Reich's music has been dubbed. Yet they are all recognizably descended from "It's Gonna Rain" and "Drumming".

Reich meets with some resistance from traditional Modernist composers. Elliott Carter, for one, has been vociferous and unrelenting in his denunciation. The two were chosen to represent U.S. music at a recent Proms festival in London, and were photographed together but did not converse beyond surface pleasantries. "Mr. Carter's public attitude reflects poorly on him," Reich said. "Different musical styles than Carter's do exist, whether he likes it or not, and the main point is not which style you work in, but how you compose in the style you choose."

Other Modernists have kinder words for Reich. The Hungarian composer Gyorgy Ligeti (also represented in the Horizons festival) recently dedicated a piece to him. "Ligeti seems to realize that American music is going to be very different from the European, although it may partake in the European heritage," Reich said. "But it's not really our job to do what Ligeti does, or what Stockhausen does, or what Boulez does. We are a different continent.

"American music is best exemplified by Gershwin, Ives and Copland. Their work reflects American popular traditions in the same manner that Hungarian folk music is deeply imbedded in the work of Bartók. For American composers to model their work on pieces from turn-of-the-century Vienna or post-World War II Cologne is to pretend to be in another time and place, and you can't do that without suffering the consequences of being academic.

"Don't get me wrong. Berg, Schoenberg and Webern were very great composers. They gave expression to the emotional climate of their time. But for composers today to recreate the angst of 'Pierrot Lunaire' in Ohio, or in the back of a Burger King, is simply a joke. Vladimir Nabokov could have written a story about it."

After "Desert Music," Reich returned to working with smaller forms. He recently completed a new sextet for his ensemble, wrote a piece called "New York Counterpoint" for the clarinetist Richard Stoltzman, and is writing a song for the guitarist Pat Metheny. "I want to keep writing for my ensemble," Reich said. "I think of it as a sort of garden in the back of my house — I may need a particular spice from the grocer . . . but my garden has fed me."

He noted, though, that he was also "writing a major piece for the San Francisco Symphony, which will work with the orchestra section by section — an assembly of multitudes. I'm renting a place in Vermont this summer near a running brook. I hope it will prove inspirational."

LANGUAGE

Functional Shifts and Class Cleavage

By William Safire

WASHINGTON — *"Stroh's is Spoken here."*
"Where you're going is Michelob."
"Pabst is the place."

"Is there a name for this sleight of hand with parts of speech?" asks Robert Spillman of the University of Rochester. "While waiting for an answer, I am busy trying to 'live today's Chevy.' "

This is the sort of language spoken in *Marlboro country*. Some grammarians use *functional shift*, a 1942 term, to identify the process by which a word gains a second or third grammatical function. Others use the term *class cleavage* to describe how we use words in two ways, splitting their function so they fall into two categories.

In the country of Marlboro, where the spaces are wide open and the main occupations are inhaling and tattooing, the proper noun *Marlboro* is used both as a name and as a description of the country, which is more a state of mind than a state of the Union. So if it's also used to modify a noun, Marlboro is also being used as an adjective, right? Wrong; in this case, the noun-modifier is called an *attributive noun*, which must always be paired tightly with the noun it modifies. (You can say "in cough-wracked Marlboro country," but not "in Marlboro cough-wracked country.")

What time is it in Marlboro country, or even in the "here" where Stroh's is spoken? Why, it's "Miller time" — another proper noun used also as an attributive noun modifying *time*. Any noun can be used that way: I took out my *travel guide* to see if I could put the man doing my *car* repair under *house arrest*; in that example, *travel*, *car* and *house* are all nouns that attribute their meaning to the nouns they modify.

Advertising copywriters have turned into attributive-noun freaks because the construction enables them to put the name of the product in a new linguistic function. (*Noun freak* uses the word *noun* as an attributive noun modifying *freak*, probably for the first time in the history of the English language.)

But the Madison Avenue types don't stop with attributive nouns: "Tastefully Tareyton" uses the product name as an adjective. Why must it be an adjective? Because it's modified by the adverb *tastefully*; if *Tareyton* were being used as a proper noun only, the ad would have to read "Tasteful Tareyton."

Now we're into *class cleavage* in a big way, bursting into an area of grammar undreamed of by mere attributive nouns.

Technocrats like class cleavage because it adds a touch of creativity or brings speech closer to the machinery: when a light on a board flashes "go," the message should be "All systems are go" or, as some of us would more likely put it, "The little gizmo on the board that says 'go' is blinking. Maybe we should get out of here." The technocrat prefers "All systems go," with the "go" changing its function from a verb to an adjective — specifically a predicate adjective, which means it follows a linking verb (the understood "are") and describes the subject ("systems") of the sentence. (The *are* has to be understood: the meaning is "all systems are go"; we do not say "all systems go" in the sense that every system sooner or later breaks down, like "all people die.")

"Verbs develop from nouns more than the other way around," observes Enid Pearsons of Random House dictionaries. "The nouns *fish*, *bridge*, *butter*, *cart*, *cradle*, etc., all made it into verbs. But verbs get their own back from time to time: in the *know*, in a *daze*, in the long *run*, taking a *look*." And of course, all systems *go*.

Therefore, I am growing more tolerant of functional shift; in more ways than one, cleavage can be exciting. The slang verb rip off becomes the noun *rip-off*, and is used as an attributive noun in *rip-off artist*.

But copywriters should be warned: beware of too much of a good thing. "Is it live or is it *Memorex*?" makes the proper noun seem to be an adjective balancing *live*, creating class cleavage. "Raise your hand if you're *Sure*," says Procter & Gamble's deodorant, its name taken from an adjective, the called-for action subtly exposing an area of the body most in need of deodorant. "Don't send a wimpy bag to do a *Hefty* job," says the Mobil Chemical Company, Hefty bag's manufacturer, using *Hefty* both as a proper noun and as an adjective balancing *wimpy*.

Perhaps the time is near for originality in advertising. Some of us kind of like the idea of a wimpy bag, perhaps as a container for hamburgers, and I'm raising my hand not because I am confident of the condition of my armpit, but to leave the room.

"ARE you aware that teaching grammar is considered *outré* in the world of education?" writes Diane Ravitch, professor of history at Teachers College, Columbia University. "It is now dogma among teachers of writing that student papers should never, never be corrected for minor details like grammar, spelling, punctuation and syntax; to do so, goes the predominant wisdom, is to inhibit the student's ego and interest in self-expression."

Professor Ravitch is concerned that the advent of high-tech in schools will make matters worse, because the coming availability of spell-checkers and grammar-fixers in word-processing programs removes the need for a knowledge of the way letters and words come together. In other words, correctness of form is not important, say our strawmen-educators, and if and when it is, let the machine do it for you. Let's chew that over.

Divide all knowledge into knowledge for survival, knowledge for achievement, knowledge for pleasure. The first lets us move around in the jungle, the second gives us a sense of satisfaction, the third offers us intellectual and physical kicks.

Some of the knowledge for achievement — arithmetic, spreadsheeting, grammar — can be delegated to machines. One of my kids resisted learning the multiplication tables, now has a handy-dandy calculator that does it all and wants to know why I knocked myself out memorizing nine times seven. The philosophical question is a reprise of the spook's query: do we learn only what we have a need to know?

I think we have a need to know what we do not need to know. What we don't need to know for achievement, we need to know for our pleasure. Knowing how things work is the basis for appreciation, and is thus a source of civilized delight.

That's why I am not worried at the prospect of knowledge for achievement becoming available by easy purchase rather than by hard learning.

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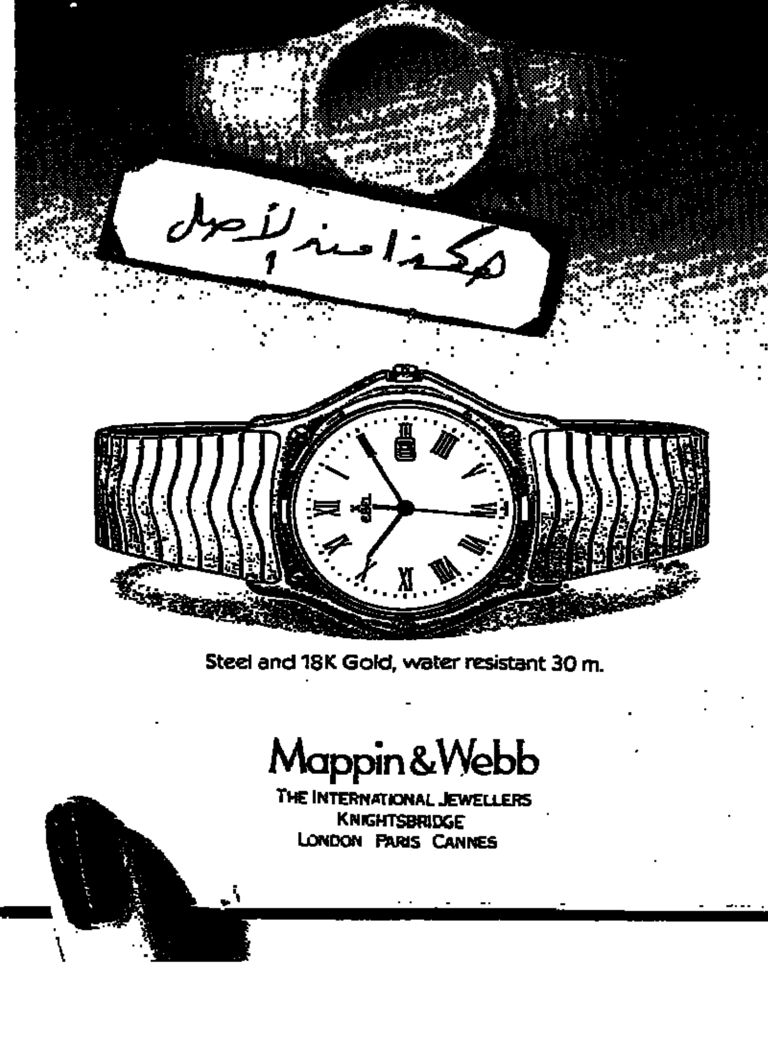
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